



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 419654487	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 419721454
Business name (Company name):	NINGBO HOUDOS FURNITURE CO., LTD		
Site name:	NINGBO HOUDOS FURNITURE CO., LTD 慈溪市周巷百一家居有限公司		
Site address: <i>(Please include full address)</i>	No. 505, Tianyuan Avenue, Zhouxiang Town, Cixi City, Ningbo City, Zhejiang Province, China 中国浙江省宁波市慈溪市周巷镇天元大道505号	Country:	China
Site contact and job title:	Mr. Xiaobo Wu / Factory Director		
Site phone:	+86-15258110608	Site e-mail:	YVONNE@HOUDOSFURNITURE.COM
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	June 9, 2022		

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Nicky Zhou, Social Auditor APSCA number: CSCA 21703424

Lead auditor APSCA status: CSCA

Team auditor: N/A

APSCA number: N/A

Interviewers: Nicky Zhou, Social Auditor

APSCA number: CSCA 21703424

Report writer: Nicky Zhou, Social Auditor

Report reviewer: Tonia Chen, Report Reviewer

Date of declaration: June 9, 2022

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	6	0	0	<p>Summary of Non-Compliance Finding 1: No safety officer certificate.</p> <p>Summary of Non-Compliance Finding 2: Sewing machines were not installed with needle guards and pulley guards.</p> <p>Summary of Non-Compliance Finding 3: The factory did not provide suitable personal protective equipment to relevant workers.</p> <p>Summary of Non-Compliance Finding 4: No occupational health examinations.</p> <p>Summary of Non-Compliance Finding 5:</p>

									Secondary container was not available. Summary of Non-Compliance Finding 6: No safety label for chemical container.
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
5	<u>Living Wages and Benefits</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-Compliance Finding 1: The number of workers provided with social insurance was insufficient.
6	<u>Working Hours</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	Summary of Non-Compliance Finding 1: The monthly overtime hours of workers exceeded legal requirement.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nil
10B2	<u>Environment 2-Pillar</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2	0	0	Summary of Non-Compliance Finding 1: No EIA and EIA approval from environmental authority Summary of Non-Compliance Finding 2: Hazardous wastes were not transferred to licensed vendor with relevant qualification.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA

10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	NA
General observations and summary of the site:									
<p>The site was established in May 2021, and mainly produced furniture. The factory was owned by Mr. Xiaobo Wu and he was responsible for compliance with the code. The factory mainly occupied part of the 3/F of one 3-storey building as production workshop, warehouse and office. There was no dormitory or canteen available in the factory. The total floor area occupied was about 1,980 square meters. The landlord of the audited factory was Ningbo Art Furniture Co., Ltd. This full initial audit was conducted by Extensive Standard Technical Services Co., Ltd. One auditor assessed the factory's operations against the ETI Base Code and the local legislations on a sampling basis.</p> <p>The whole audit process went smoothly including documents review, factory tour and workers interview with the sample size of 10 employees. The factory had established the social responsibility management system and the relevant procedures and policies had also been set up accordingly. Sufficient and necessary facilities for sanitation, health & safety were equipped on site to provide a comfortable working environment for workers. All workers' wages were calculated accurately as required by law and paid on time with detailed payslips provided for them. Workers interviewed included both male and female. All workers were favourable towards the factory and they enjoyed the working environment. All interviewees stated that they felt satisfied with any concern they approached, and they could complain to their supervisors directly or through suggestion box.</p> <p>As listed above, there were several non-compliances found during the audit, which were covered in the sections of "Safety and Hygienic Conditions", "Living Wages and Benefits", "Working Hours" and "Environment 2-Pillar". Please refer to corresponding sections for details. For other sections, no violation was noted.</p>									

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

Site Details

Site Details											
A: Company Name:	NINGBO HOUDOS FURNITURE CO., LTD										
B: Site name:	NINGBO HOUDOS FURNITURE CO., LTD										
C: GPS location: (If available)	GPS Address: No. 505, Tianyuan Avenue, Zhouxiang Town, Cixi City, Ningbo City, Zhejiang Province, China	Latitude: N 30.18909 Longitude: E 121.187357									
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91330282MA2J6QPR1G Period of validity: from May 10, 2021 to long term.										
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Furniture										
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>NINGBO HOUDOS FURNITURE CO., LTD was located at No. 505, Tianyuan Avenue, Zhouxiang Town, Cixi City, Ningbo City, Zhejiang Province, China. The factory mainly occupied part of the 3/F of one 3-storey building as production workshop, warehouse and office. There was no dormitory or canteen available in the factory. The total floor area occupied was about 1,980 square meters. The landlord of the audited factory was Ningbo Art Furniture Co., Ltd. The site started production since May 10, 2021 based on the business license of the factory.</p> <p>A total of 13 employees (including 1 management employee and 12 workers) worked in the factory. All employees worked in one shift: 08:00-12:00, 13:00-17:00. Workers' wages were calculated on hourly rated basis. The peak season was not obvious per year according to management interview and workers interview.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Nil</td> <td>The 1/F was used as office, warehouse and workshop by one unknown company</td> </tr> <tr> <td>Floor 2</td> <td>Nil</td> <td>The 2/F was used as workshop by the landlord</td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	Floor 1	Nil	The 1/F was used as office, warehouse and workshop by one unknown company	Floor 2	Nil	The 2/F was used as workshop by the landlord
Production Building no	Description	Remark, if any									
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Floor 2	Nil	The 2/F was used as workshop by the landlord									

	<table border="1" data-bbox="655 219 1485 517"> <tr> <td data-bbox="655 219 932 286"></td> <td data-bbox="932 219 1208 286"></td> <td data-bbox="1208 219 1485 286">(Ningbo Art Furniture Co., Ltd.)</td> </tr> <tr> <td data-bbox="655 286 932 450">Floor 3</td> <td data-bbox="932 286 1208 450">Part of the 3/F: Office, warehouse and workshop</td> <td data-bbox="1208 286 1485 450">The rest part of the 3/F was used as warehouse by one unknown company</td> </tr> <tr> <td data-bbox="655 450 932 517">Is this a shared building?</td> <td data-bbox="932 450 1208 517">Yes</td> <td data-bbox="1208 450 1485 517">Refer to above</td> </tr> </table> <p data-bbox="655 555 1485 1727"> Remark: 1. There were other 3 companies in the same building with the audited factory. Based on site observation, management and employee interview, the audited factory and other 3 factories have individual management system and employees, no worker exchange was noted. 2. Based on interview with the factory management, it was noted that the epidemic of COVID-19 had little impact on the operation of the factory: 1) 100% employees had returned to work; 2) It was not difficult for them in recruitment; 3) The factory had received sufficient orders in the past year; 4) The factory had sufficient raw materials from upstream suppliers to complete current orders; 5) The factory had taken effective measures to respond to the challenge of COVID-19, such as wearing masks, using disinfectant water, conducting temperature measurement, carrying out effective isolation and so on. F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F2: Please give details: Based on site tour, the structure of building was safe and integrate. No large cracks were found during the audit. F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F4: Please give details: The factory provided the structural engineer evaluation for review. </p>			(Ningbo Art Furniture Co., Ltd.)	Floor 3	Part of the 3/F: Office, warehouse and workshop	The rest part of the 3/F was used as warehouse by one unknown company	Is this a shared building?	Yes	Refer to above
		(Ningbo Art Furniture Co., Ltd.)								
Floor 3	Part of the 3/F: Office, warehouse and workshop	The rest part of the 3/F was used as warehouse by one unknown company								
Is this a shared building?	Yes	Refer to above								
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House									

	<input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	The peak season was not obvious according to management interview and worker interviews.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>The main products manufactured in the factory were furniture.</p> <p>The main production processes were listed as below: Wood processing, cloth and leather cutting, sewing, sponge cutting, filling, assembling, inspection and packing.</p> <p>The main equipments used were wood processing machines and sewing machines.</p>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA No dormitory was available.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 8:15 A2: Day 1 Time out: 17:05	A3: Day 2 Time in: Nil A4: Day 2 Time out: Nil	A5: Day 3 Time in: Nil A6: Day 3 Time out: Nil
B: Number of auditor days used:	1 Auditor Day (1 auditor X 1 day)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Xiaobo Wu / Factory Director		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management		Worker Representatives	
	Senior management		Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no trade union in this 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	0	0	0	10	0	0	0	10
Worker numbers – female	0	0	0	2	0	0	0	2
Total	0	0	0	12	0	0	0	12
Number of Workers interviewed – male	0	0	0	8	0	0	0	8
Number of Workers interviewed – female	0	0	0	2	0	0	0	2
Total – interviewed sample size	0	0	0	10	0	0	0	10



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



Worker Interview Summary	
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group including 4 workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 5 D2: Female: 1
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No worker complained anything during the interview.
I: What did the workers like the most about working at this site?	The workers said they were satisfied with the working conditions.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	The workers were satisfied with the working hours.
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, please give details: The factory had conducted background survey to all employees, including their home address, family members, educational & working experiences and so on. Relevant survey information was well maintained	

by the factory. There was also an annual worker satisfaction survey conducted by management in the factory.

M: Attitude of workers:

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

The factory agreed that ESTS auditor could conduct confidential interview with workers who were chosen freely without any influence by the factory management. 10 workers were randomly selected from different workshops / departments for individual or group interview. The workers interview was conducted in one separate meeting room located at the office building. The workers showed a cooperative attitude during the interview process. Based on workers interview, workers expressed their positive attitude to the factory management and workplace. All workers said that they were satisfied with working conditions and wages in the factory.

The information of workers interview as following:

1. As for child labor issue, all interviewed workers said that the factory checked their ID cards to verify their ages and kept their ID copies during recruitment. No child labour was identified during the audit.
2. As for forced labor issue, they said they were not required to lodge the "deposit" or to deposit their personal ID cards; the employees could resign at their choice and should inform the factory 30 days in advance. All interviewees said they could leave factory freely after work, during lunch break and dinner break.
3. As for discrimination issue, they said they could get the job based on their working experiences and abilities. The female and male workers' wages were calculated at the same rate if they engaged for the same work. All interviewees confirmed that no discrimination occurred in the factory.
4. As for discipline practice issue, all interviewees said they would only be criticized or warned if they broke the factory rules without monetary discipline.
5. As for safety and health issues, the workers were satisfied with the working conditions and the factory regularly provided safety training to workers. The new employed workers would be trained before they engaged their work. Fire drills were conducted twice per year and the latest fire drill was conducted on May 20, 2022.
6. For working hour issue, all interviewed workers said they normally worked 5 days per week and 8 hours per day. All interviewees said that they often worked overtime for 2 hours on weekdays and 8 hours on Saturdays.
7. For wages and benefits issues, all interviewees said that their wages were calculated on basis of hourly rate and the wages were paid by cash before 10th of each month normally. Paid annual leave and statutory holiday wages were also available for them.
8. As for freedom of association issue, they confirmed that they could complain to their supervisors and the employee representatives directly or through suggestion box.
9. As for regular employment issues, all interviewees said that the factory had signed labor contracts with them and they each kept a copy of the contract.

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

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

The worker representatives showed a cooperative attitude during the interview process. Based on the interview, the representatives expressed their positive attitude to management and workplace.

O: Attitude of managers:

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

The management was cooperative throughout the process of the audit. All requested documents were provided timely. All necessary areas were allowed access for the tour, and a private meeting room was

arranged for workers interview. Moreover, the factory management promised to take corrective actions for all non-compliances.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
2. Mr. Xiaobo Wu/Factory Director was appointed to be responsible for implementing standards concerning Human rights.
3. The factory had identified their stakeholders and salient issues.
4. The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. The factory had a procedure showing the factory will address these issues and enable effective remediation if the businesses have an adverse impact on human rights within any of their stakeholders.
6. The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Details:

1. Human right policy and communication records of human right with employee review
2. Management interview and worker interview
3. Factory tour

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Factory's policy statement expressed commitment to respect human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Xiaobo Wu Job title: Factory Director</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory demonstrated effective data privacy procedures for workers' information, which is implemented.</p>

Findings		
<p>Finding: Observation <input type="checkbox"/></p> <p>Description of observation: Nil</p> <p>Local law or ETI/Additional elements / customer specific requirement: NA</p> <p>Comments: NA</p>	<p>Company NC <input type="checkbox"/></p>	<p>Objective evidence observed: NA</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___10___ %	A2: This year ___0___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___0___ %	C2: This year ___0___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Accident records were kept in files, but no accident had occurred based on the accident records and workers interview.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___% workers	I2: 12 months ___0___% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___% workers	J2: 12 months ___0___% workers
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0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

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

Current systems:

- The factory had established supplier assessment program on social responsibility. The factory had conducted social accountability assessment to its suppliers.
- Ms. Xiaobo Wu/Factory Director was appointed to be responsible for compliance with the local laws and the Codes.
- The factory had communicated this Code to their suppliers and employees effectively.
- Based on the interview of factory management, he was familiar with local laws and ETI Base Code.

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

Details:

- Social accountability Policy and Procedure
- Social accountability Assessment Report
- Management interview and workers interview
- Factory tour

Any other comments:
 Nil

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: In the last 12 months, the factory was not subject to any fines/prosecutions for non-compliance to any regulations.
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<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory had policies and procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Yes, the factory had policies and procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse. All workers knew about it.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory had conducted training on the standards for forced labour, child labour, discrimination, harassment & abuse.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Relevant training records were reviewed and cross checked with the management and workers.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: The site did not have any internationally recognised system certifications.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mr. Xiaobo Wu/Factory Director</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Xiaobo Wu/Factory Director</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had a policy named human resource management procedure to ensure all worker information is confidential.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had a policy called human resource procedure to ensure confidential information is kept confidential.</p>

<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessments conducted per year to evaluate policy and procedure effectiveness.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory had a policy which required labour standards of its own suppliers.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory provided relevant leasing agreement records in original form for review.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: These were performed by the factory's legal consultant to recognize and apply relevant laws and practices for due diligence.</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Remark: The land in China mainland belonged to the nation as stipulated by the law. Anybody, no matter the characters, could only rent the land from the government for a period. So if the factory would like to use the land, it should apply for it from the governmental department, which would then make decision on whether to provide the approval or not.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: This was conducted by the local governmental authority and the owner purchased the lease</p>

	according to legal channels, overseen by the factory's legal consultant.
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R1: Please give details: NA
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No such negative evidence was identified.

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: NA Recommended corrective action: NA	Objective evidence observed: NA

Observation:	
Description of observation: Nil Local law or ETI requirement: NA Comments: NA	Objective evidence observed: NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: NA

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. No forced, bonded or involuntary prison labour was found during the audit.
2. Most employees got their jobs by themselves or by friends' recommendation.
3. The factory rules and policies showed that employees could be freely resignation after communication with management 30 days in advance.
4. They were not required to lodge deposits or their Identity papers to the factory at the beginning of employment.

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

Details:

1. Factory Policy and Procedure
2. Personnel files
3. Resignation records and leave records
4. Employee handbook
5. Management and worker interviews
6. Factory tour

Any other comments:

Nil

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: NA</p>

E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: NA
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had a policy to reduce the risk of forced / trafficked labour.

Non-compliance:	
Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement NA Recommended corrective action: NA	Objective evidence observed: NA

Observation:	
Description of observation: Nil Local law or ETI requirement: NA Comments: NA	Objective evidence observed: NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: NA

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
2. Based on documents review, the factory had established a Worker Committee Management Procedure. It was identified that employee representatives could be elected by employees freely.
3. The procedure and meeting records showed that the committee communicated with the factory management quarterly. And relevant records were kept by the factory.
4. All interviewees confirmed that they could raise their complaints to the worker representatives or through suggestion box.

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

Details:

1. Freedom of Association Policy
2. Selection procedure and records
3. Meeting records of worker committee meetings
4. Complaint & handling records
5. Management and worker interviews
6. Factory tour

Any other comments:

Nil

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

- Union (name)
- Worker Committee
- Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Welfare committee, H&S committee D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Meeting room was provided, and special funds also provided for the welfare committee and H&S committee to conduct related business.	
F: Name of union and union representative, if applicable:	NA	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	The factory had established a worker committee.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	It was confirmed through workers interview.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: May 14, 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Date of last meeting: May 23, 2022 Topics: Discussing about responsibilities of employee representative. Minutes on communicating: 30	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

<p style="text-align: center;">Non-compliance:</p>	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: NA</p>

<p style="text-align: center;">Observation:</p>	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: NA</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory had established a health and safety policy. A health and safety committee had been established in the factory.
- 2. Mr. Xiaobo Wu/Factory Director was the representative of health and safety management system.
- 3. Fire-fighting facilities were equipped in the factory.
- 4. Examination records of fire-fighting equipment were available on site. It was identified that all fire-fighting equipment were checked by Safety Officer monthly.
- 5. Fire drill records with photos showed that the factory conducted fire drill twice per year in the factory. The latest fire drill was conducted on May 20, 2022.
- 6. Accident records were kept and provided for review. It was identified that no significant accident occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions.
- 7. The factory had provided the structure safety certificate of factory building for review.
- 8. There were at least two exits at each floor in the factory.
- 9. Based on observation on site, the factory building was secure.
- 10. Adequate first aid kits were equipped on site.
- 11. Base on observation on site, the lighting was acceptable in each workshop.
- 12. Adequate toilets were provided in the factory.
- 13. Base on site observation, potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time.

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

Details:

- 1. Health and safety policy
- 2. Training records and certificates
- 3. Fire equipment maintenance records
- 4. Fire drill records
- 5. Accident reports
- 6. Management and workers interview

7. Factory tour

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and properly communicated to workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The policies were included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural addition was found.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors to the site were informed on H&S issues and provided with personal protective equipment.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical room was available in the factory, but adequate first aid kits and first aider were available in the factory.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There was one qualified first aider on site.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport was provided for workers in the factory.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: There was no dormitory in the factory.</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: The factory had conducted H&S Risk assessments and there were relevant controls to reduce identified risks.</p>

<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J1: Please give details: The factory did not provide EIA and EIA approval from environmental authority for review.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No NA K1: Please give details: No customer requirement was provided.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Based on document review and management interview, the factory did not provide safety officer certificate for review.</p> <p>Local law and/or ETI requirement Law of the People's Republic of China on Work Safety (effective since September 1, 2021), Article 24 An entity engaged in mining, metal smelting, building construction, or road transportation or an entity manufacturing, marketing, or storing hazardous substances shall establish a work safety management body or have full-time work safety management personnel. Any business entity other than those specified in the preceding paragraph shall establish a work safety management body or have full-time work safety management personnel if the number of its employees exceeds 100; or shall have full-time or part-time work safety management personnel if the number of its employees is 100 or less.</p> <p>ETI Base Code 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p> <p>Recommended corrective action: It is recommended the factory should arrange related employees to attend training and obtain safety officer certificate timely.</p>	<p>1. Objective evidence observed: Based on document review and management interview.</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Based on site observation, there were 4 sewing machines in the sewing workshop. However, all 4 sewing machines were not equipped with needle guards and the transmission belts of 2 sewing machines were not installed with pulley guards.</p> <p>Local law and/or ETI requirement General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.2 Set necessary safety devices to the movable spare parts may be touched during the operation. General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.6</p>	<p>2. Objective evidence observed: Based on site observation (Refer to NC Photo #1 & #2).</p>

With the surface where work point located as reference, if transmission strap, rotor shaft ,transmission chain ,coupling Member ,belt wheel, gear wheel ,fly wheel ,chain wheel and electric saw expose to danger, set the safety device as a must.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should equip all sewing machines with functional needle guards and pulley guards.

3. Description of non-compliance:

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

Based on site observation, workers and management interview, the factory did not provide suitable personal protective equipment (e.g. earplug, anti-dust mask and anti-poison mask) to workers contact with noise, dust, hazardous chemicals and cotton dust. In addition, the factory did not provide metal-mesh gloves to one sponge cutting worker who use electric scissors.

Local law and/or ETI requirement:

Law of the People's Republic of China on Work Safety (effective since September 1, 2021), Article 45

Production and business units shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should provide suitable personal protective equipment, supervise and educate employees to wear personal protective equipment properly where applicable.

4. Description of non-compliance:

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

Based on site observation, workers interview and document review, it was noted that there were 3 workers worked with occupational disease factors (1

3. Objective evidence observed:

Based on site observation (Refer to NC Photo #3 & #4 & #5), workers and management interview.

4. Objective evidence observed:

Based on site observation, workers

worker worked with noise and dust, 1 worker worked with hazardous chemicals and 1 worker worked with dust). However, the factory did not provide occupational health examinations for above 3 workers.

Local law and/or ETI requirement:

Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35

For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational health examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational health examination shall be assumed by the employer.

Employers shall not assign employees who have not undergone the pre-job occupational health examination to operations with exposure to occupational disease hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational health examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labor contacts with employees who have not undergone the off-the-job occupational health examination.

The occupational health examination shall be conducted by medical health institutions with Practicing License of Medical Institution. The health administrative departments shall strengthen the normative management on the implementation of occupational health examination, and the specific administrative measures shall be formulated by the health administrative department of the State Council.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should provide occupational health examinations to all workers engaged in work with hazardous chemicals, loud noise and dust.

5. Description of non-compliance:

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

Based on site observation, secondary containers were not available for glue and lubricant oil stored in the workshop.

Local law and/or ETI requirement:

Regulations on the Control over Safety of Dangerous Chemicals, Article 20

The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipment for

interview and document review.

5. Objective evidence observed:

Based on site observation (Refer to NC Photo #6).

monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moisture-proof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipment.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should equip functional secondary containers to all chemicals in the workshop.

6. Description of non-compliance:

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

Based on site observation, the containers of glue stored in the workshop were not marked with safety labels.

Local law and/or ETI requirement:

Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used, Article 23

Packages for toxic substances shall meet the national standards, and the safety labels for poisoning articles shall be stuck or fastened thereto in a way easily comprehensible to the workers. Packages for toxic substances shall have conspicuous warning marks and warning specifications in Chinese. Units that trade in or use toxic substances shall not trade in nor use toxic substances without safety labels, warning marks and warning specifications in Chinese.

Regulations on Safety in Workplaces Where Chemicals Are Used

Article 12, The chemicals used by using units shall be labelled, and hazardous chemicals shall also be affixed with safety signs, and operators shall be provided with material safety data sheet.

Article 20, Using units shall promulgate the relevant safety health information to workers, train workers to identify safety signs, understand material safety data sheet and know the necessary emergency treatments and measures to save oneself, and regularly carry out education and training for workers on safety chemicals use in workplace.

ETI Base 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

6. Objective evidence observed:

Based on site observation (Refer to NC Photo #6).

<p>as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is recommended that the factory should stick safety labels to related chemical containers.</p>	
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

4: Child Labour Shall Not Be Used
<p>(Click here to return to summary of findings) (Click here to return to Key Information)</p>
<p>ETI</p> <p>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.</p>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p>Current systems:</p> <ol style="list-style-type: none"> 1. The factory had established policy and procedure on prohibiting child labour. 2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages. 3. Based on observation on site and workers interview, no child labour was identified during the audit. 4. No young worker under 18 was employed at night.

5. Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour was identified in the factory.

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

Details:

1. Recruitment policies
2. Employees' personal files/ Employment registration/ Roster
3. Management and workers interview
4. Factory tour

Any other comments:

Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker found was 27 years old, born on October 27, 1994 and hired on May 10, 2021.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details NA

Non-compliance:

Description of non-compliance:

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

Nil

Local law and/or ETI requirement:

NA

Recommended corrective action:

NA

Objective evidence observed:

NA

Observation:

Description of observation:

Nil

Objective evidence observed:

<p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>NA</p>
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<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The factory kept and provided payroll records from June 2021 to May 2022 for review during the audit. All workers were paid by hourly-rated wages, and the local minimum wage standard was set at RMB 1800 per month equivalent to RMB 10.34(1800/21.75/8) per hour since December 1, 2017 and RMB 2070 per month equivalent to RMB 11.90(2070/21.75/8) per hour since August 1, 2021.
3. Based on payrolls review, the overtime wages of workers were guaranteed.
4. The wages were paid through cash before 10th of next month. Workers did not work overtime on statutory holidays.
5. Based on factory rules review, if the factory rules were broken, relevant workers would be only warned or trained / educated without any monetary discipline.
6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers.
7. Based on workers and management interview, the factory provided detailed payslips to all workers when they received wages.
8. There were 13 employees in the factory. Based on recent 3 months' (from March 2022 to May 2022) insurance receipt review, only 2 out of the 13(15.4%) eligible workers participated in retirement, medical, unemployment, maternity and work-related injury insurances in May 2022.
9. No deduction from workers' wages as a disciplinary measure was found during the audit based on document review and workers interview.

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

Details:

1. Attendance records: June 2021 to the audit day
2. Payroll records: June 2021 to May 2022
3. Leave records
4. Social insurance and payment receipts from the local labour department/Bank
5. Labor contracts for all employees (to examine agreed wage rates)
6. Resignation records
7. Workers' Payslips

- 8. Management and workers interview
- 9. Factory tour

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

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

There were 13 employees in the factory. Based on recent 3 months' (from March 2022 to May 2022) insurance receipt review, only 2 out of the 13(15.4%) eligible workers participated in retirement, medical, unemployment, maternity and work-related injury insurances in May 2022.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China,

Article 72. The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practiced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73. laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law:

- (1) Being retired;
- (2) Being ill or injured;
- (3) Being injured or disabled while on duty or contracted with occupational diseases;
- (4) Being unemployed; or
- (5) Childbirth.

After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law.

The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations.

The social insurance money that laborers are entitled to must be paid on schedule and in full.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should provide 5 categories of social insurance for all employees required by law.

Objective evidence observed:

Social insurance payment records review, management interview and workers interview.

Observation:	
Description of observation: Nil Local law or ETI requirement: NA Comments: NA	Objective evidence observed: NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day and 40 hours per week.	A1: 8 hours per day and 40 hours per week.	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Not exceeding 3 hours per day and 36 hours per month.	B1: 2 hours per weekday and 50 hours per month.	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Minimum wage standard was set at RMB 1800 per month equivalent to RMB 10.34(1800/21.75/8) per hour since December 1, 2017 and RMB 2070 per month equivalent to RMB 11.90(2070/21.75/8) per hour since August 1, 2021.	C1: RMB 15.52 to 17.24 per hour	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage:	Legal minimum: Under any of the	D1: Under any of the	D2: <input type="checkbox"/> Yes

<p>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</p>	<p>following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>	<p>following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>	<p><input checked="" type="checkbox"/> No</p>
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<p align="center">Wages analysis: (Click here to return to Key Information)</p>	
<p>A: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>A1: If No, why not?</p>	<p>NA</p>
<p>B: 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</p>	<p>Monthly Wage: 10 samples from current month (May 2022): RMB 4072 to RMB 4400; 10 samples from random month (December 2021): RMB 4249 to RMB 4584;</p>

Practice Guidance and Measurement Criteria)	10 samples from random month (August 2021): RMB 4297 to RMB 4450.		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> RMB 15.52 to 17.24 per hour	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100_% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> Nil		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance (pension, medical and unemployment) and individual income tax.		
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Nil Please describe: NA
		I2: Please list all deductions that have not been made.	1. Social insurance 2. Individual income tax Please describe: 1. Social insurance was paid by factory. 2. Individual income tax did not reach the standard of deduction as required by law.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type NA <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	

<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Through documents review, also through double-check with workers interview, the payroll and attendance records could accurately reflect workers' actual working time. And all working hours were paid sufficiently including workers' meeting or training time.</p>
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: The facility had not defined the living wage. All workers were paid regularly above the local minimum wage standard.</p>
<p>M2: If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation NA Other – please give details:</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had periodic reviews of wages. Each month the factory conducted internal review of workers' wages to check the compliance.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory policy review, payment records review and workers interview, it was confirmed that equal rates were being paid for equal work.</p>
<p>Q: How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The normal working hour system of 8 hours per day & 40 hours per week was carried out in the factory.
2. The attendance records showed that the workers often worked overtime on weekdays & Saturdays, and rested on Sundays fixedly.
3. The factory kept and provided attendance records from June 2021 to the audit day for review during the audit.
4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours' overtime), 52 hours (including 12 hours' overtime) and 50 hours respectively.
5. Based on attendance records review, all workers could have at least one day off per week.
6. Based on observation on site, the factory used fingerprint attendance system to record working hours of employees.
7. Through workers interview, all workers worked overtime on voluntary basis.

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

Details:

1. Factory Policy
2. Working time records: June 2021 to the audit day
3. Labor contracts of workers
4. Review QC and production records to cross-check working hours
5. Management and workers interview
6. Factory tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

The factory provided the attendance records from June 2021 to the audit day for review. 10 employees were randomly selected to check their working hours in May 2022, December 2021 and August 2021 respectively. Based on those records, 100% sample workers worked overtime for 46 to 48 hours in May of 2022(Current month), 100% sample workers worked overtime for 48 to 50 hours in December of 2021(Random month) and 100% sample workers worked overtime for 50 hours in August of 2021(Random month). As a result, all sample months' overtimes exceeded 36 hours per month of legal requirement.

Local law and/or ETI requirement:

Labor Law of the People's Republic of China, Article 41

The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six.

ETI Base 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.

Recommended corrective action:

It is recommended that the factory should make sure the overtime hours of all workers are in accordance with legal requirements.

Objective evidence observed:

Attendance records review, management interview and workers interview.

Observation:

Description of observation: Nil	Objective evidence observed: NA
Local law or ETI requirement: NA	
Comments: NA	

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

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

agreements exceed 48 hours per week?		
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 10 samples from current month (May 2022): Daily OT: Max. 2 hours; Weekly OT: Max. 12 hours; Monthly OT: Max. 48 hours	
	10 samples from random month (December 2021): Daily OT: Max. 2 hours; Weekly OT: Max. 12 hours; Monthly OT: Max. 50 hours	
	10 samples from random month (August 2021): Daily OT: Max. 2 hours; Weekly OT: Max. 12 hours; Monthly OT: Max. 50 hours	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The maximum weekly working hours are 52 hours.	

<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>___70___%</p>	
<p>L: Is overtime voluntary?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p>	<p><i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i> According to the labor contract, also as stipulated by the factory rule, all workers worked overtime on voluntary basis. Through workers interview, all interviewees stated that they could decide to work overtime or not freely. If they did not work overtime, they would not be punished by the factory.</p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p>	<p><i>M1: Please give details of normal day overtime premium as a % of standard wages:</i> Under any of the following circumstances, the employing unit shall, according to the following standards, pay laborers remunerations that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.</p>
<p>N: Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p><i>N1: If yes, please describe % of workers & frequency:</i> Based on provided attendance and payroll records, 100% workers were paid monthly with 150% of normal rate for overtime on weekdays and 200% of normal rate for overtime on rest days. There was no overtime on statutory holidays.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other NA</p> <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>NA</p>	

<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>N/A</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Q1: If yes, please give details:</p> <p>NA</p>

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established policy and procedure on prohibiting discrimination. No evidence of discrimination was found in factory policies, rules, procedures and operation records.
2. According to payroll records, attendance records, termination records and training records review, no evidence showed that discrimination existed in the factory.
3. According to management interview and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethical beliefs and political background etc. Female workers and male workers had the same pay and working conditions as male workers. Promotion was based on worker's ability and skill. Training was based on working requirement. Migrant workers had the same pay for same work and working conditions as the local workers.

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

Details:

1. Employee handbook, the hiring and termination procedure
2. Leave application and termination records
3. Attendance and payroll records
4. Training records
5. Management and worker interview

Any other comments:

Nil

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: ___100___ % A2: Female_0___ %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>#: 2 Details: Both two women were mainly engaged in sewing process. The sewing position needed specific skills and experiences. Through documents review and workers interview, both two women had already been provided relevant training to meet the requirement.</p>

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

Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Job training, safety training, factory rules training and etc.</p>

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

Non-compliance:	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: NA</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:

Description of Good Example (GE):
Nil

**Objective Evidence
Observed:**
NA

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
2. Work performed was on the basis of recognized employment relationship established through national law and practice.
3. The factory signed labor contracts with workers within 30 days after employment. According to workers interview, they had a copy of the signed labor contract.
4. No homework was arranged. No apprenticeship schemes were practiced in this factory.
5. No employment agency was used.

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

Details:

1. Employee Manual
2. Hiring and termination procedure
3. Labor contracts
4. Personal files
5. Payroll records
6. Management and workers interview
7. Factory tour

Any other comments:
Nil

Non-compliance:	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: NA</p>

Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: NA</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p>

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA
D: If any checked, give details:	NA

Migrant Workers:	
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	
A: Type of work undertaken by migrant workers:	All production processes.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: NA B2: Total number of (outside of local country) recruitment agencies used: NA
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: 12 migrant workers worked at all production processes.

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No NA E1: Please give details: NA

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had policies on sub-contracting and sub-contractor control.
2. It was verified through document review, factory tour, management interview and workers interview that neither home-working nor sub-contracting was used by this factory.

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

Details:

1. Factory policy
2. Factory tour (Calculation on total production and estimated capacity)
3. Materials in/out records
4. Management and workers interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

Nil

Objective evidence observed:

NA

Local law and/or ETI /Additional Elements requirement:

NA

Recommended corrective action:

NA

Observation:	
Description of observation: Nil Local law or ETI/Additional elements requirement: NA Comments: NA	Objective evidence observed: NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

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

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:

<p>C: Are homeworkers employed direct or through agents?</p>	<p><input type="checkbox"/> Directly <input type="checkbox"/> Through Agents</p>	<p>C1: If through agents, number of agents:</p>
<p>D: Is there a site policy on homeworking?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>E: How does the site ensure worker hours and pay meet local laws for homeworkers?</p>		
<p>F: What processes are carried out by homeworkers?</p>		
<p>G: Do any contracts exist for homeworkers?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:</p>	
<p>H: Are full records of homeworkers available at the site?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Records of opening suggestion box, email and telephone number were available for employees' complaints.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Yes, based on workers interview and site tour, the workers had free access to all channels.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline, suggestion box on site were available.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: There was a confidential email and suggestion box system, monitored by relevant trained HR manager & staff.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>II: If yes, please give details</p>
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Current Systems and Evidence Examined

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

Current systems:

- The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure.
- The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past.
- There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

- The relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation
- Training records
- Management and workers interview
- Factory tour

Any other comments:
 Nil

Non-compliance:	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: NA</p>

Observation:

<p>Description of observation: Nil</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>
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<p>Good Examples observed:</p>	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

- 1, Per documents review, factory management representation and worker interview, all workers in the factory were Chinese. 100% workers were migrant workers who came from other provinces (mainly from Jiangxi and Anhui). All workers had the proper legal rights to work in this region. The youngest age was 27 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. No agency staff or foreign worker was used by the factory.
- 2, The factory recruited the new workers by the advertisements or the employees' recommendation.
- 3, All workers would be reviewed and validated the original documentation before they employed.

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

Details:

1. Labour contract
2. Personnel files
3. Hiring procedure
4. Worker handbook
5. Management and workers interview

Any other comments:

Nil

Non-compliance:

Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

NA

Recommended corrective action:

NA

Objective evidence observed:

NA

Observation:	
Description of observation: Nil Local law or ETI/Additional Elements requirement: NA Comments: NA	Objective evidence observed: NA

Good examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

10. Other issue areas 10B2: Environment 2–Pillar

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

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

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

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

1. Based on worker's interview, they were trained on environmental protection.
2. The factory established environment policy including environment emergency action procedures, relevant procedure and carried out environment management system.
3. Waste was collected and segregated in place.

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

Details:

1. Environmental policy and procedure
2. Management and workers' interview
3. Factory tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Based on document review and confirmed with factory management, the factory could not provide EIA and EIA approval from environmental authority for review.

Local law and/or ETI requirement:

The Law of the People's Republic of China on Appraising of Environmental Impacts (2018 Amendment), Article 16

On the basis of the extent of the Impacts exerted on the environment by construction projects, the State exercises, in a classified manner, control over the Appraising of the Impacts of construction projects on the environment. A construction unit shall, in accordance with the following provisions, make arrangements for preparing a written report on the environmental Impacts or a statement on such Impacts or filling out a registration form of environmental

1. Objective evidence observed:

Based on document review and confirmed with factory management.

Impacts (hereinafter referred to as the document for Appraising of environmental Impacts, in general):

(1) Where considerable Impacts may be exerted on the environment, preparing a written report on environmental Impacts, in which a comprehensive Appraising of the Impacts on the environment shall be made;

(2) Where mild Impacts may be exerted on the environment, preparing a statement on the Impacts, in which an analyses or special Appraising of the Impacts shall be made; or

(3) Where the Impacts on the environment are very little and therefore it is not necessary to make an Appraising of them, filling out a registration form of environmental Impacts.

A classified catalogue for control over the Appraising of the environmental Impacts of construction projects shall be worked out and published by the competent administrative department for ecological environment under the State Council.

The Law of the People's Republic of China on Appraising of Environmental Impacts (2018 Amendment), Article 22

The report and sheet for Appraising of the environmental Impacts of a construction project shall, in accordance with the regulations of the State Council, be submitted by the construction unit for examination and approval to the competent administrative department for ecological environment that has the power of examination and approval;

The written report on marine environmental Impacts of a marine engineering project shall be examined and approved in accordance with the provisions of the Marine Environment Protection Law of the People's Republic of China. The examination and approval department shall within 60 days from the date it receives a written report on environmental Impacts, or within 30 days from the date it receives a sheet on environmental Impacts, and inform the construction unit of its decision in writing.

Environment impact register form is only needed to be registered.

No fees whatever may be collected for preliminary examination, examination and verification, or examination and approval of the document for Appraising of the environmental Impacts of a construction project.

SMETA Additional Element

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

Recommended corrective action:

It is recommended that the factory should conduct EIA and obtain EIA approval from environmental authority, then follow up according to the EIA and EIA approval.

2. Description of non-compliance:

- NC against ETI/Additional Elements
- NC against Local Law
- NC against customer code:

Based on document review and management interview, no completed document was provided to prove that the factory transferred all hazardous wastes (used chemical containers) to licensed vendor with relevant qualification.

Local law and/or ETI requirement:

2. Objective evidence observed:

Based on document review and management interview.

<p>Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (2020), Article 80 It shall be prohibited to provide or entrust hazardous wastes to an entity or any other producer or trader without a permit to engage in collection, storage, utilization, and treatment.</p> <p>SMETA Additional Element 10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Recommended corrective action: It is recommended that the factory should transfer all hazardous wastes to licensed vendor with relevant qualification.</p>	
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Observation:	
<p>Description of observation: Nil</p> <p>Local law or ETI/additional elements requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: NA</p>

Other findings

Other Findings Outside the Scope of the Code

Nil

Community Benefits

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

Nil

Appendix 1

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

Not Applicable please x

Photo Form

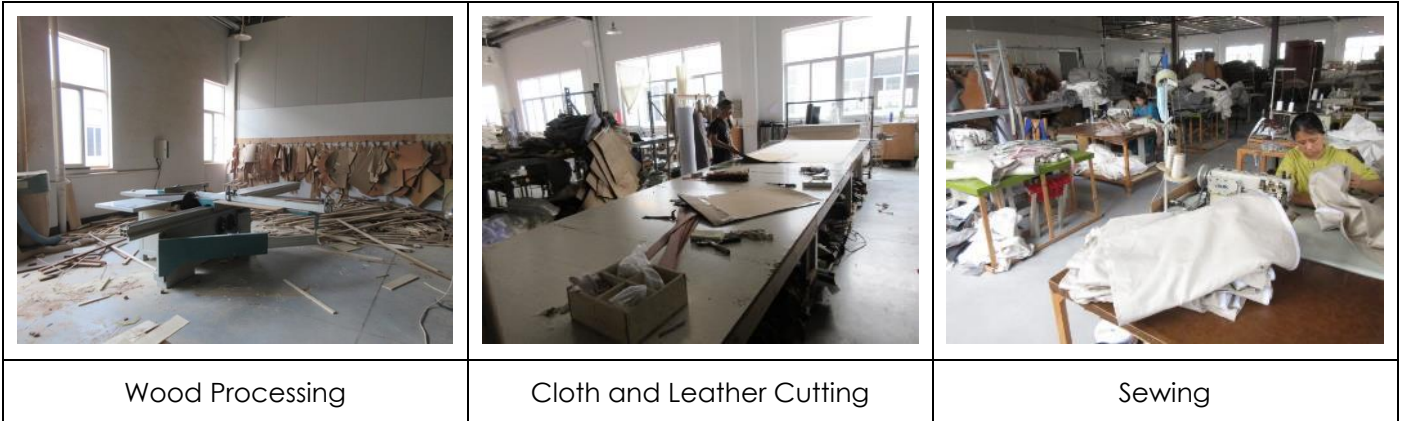
Non-Compliance Photos:

<p>NC Photo #1: No Needle Guard</p>	<p>NC Photo #2: No Pulley Guard</p>	<p>NC Photo #3: Not Provide Earplug and Anti-dust Mask</p>



<p>NC Photo #4: Not Provide Anti-poison Mask</p>	<p>NC Photo #5: Not Provide Metal-mesh Gloves</p>	<p>NC Photo #6: No Secondary Container and Safety label</p>


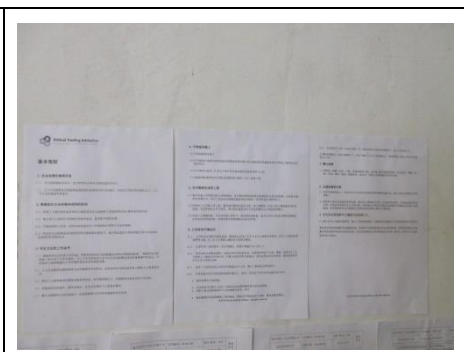

General Site Tour Photos:

<p>Factory Gate</p>	<p>Factory Name</p>	<p>Factory Building</p>



		
<p>Evacuation Indicating Sign</p>	<p>Electrical Safety Warning Sign</p>	<p>First Aid Kit</p>

		
<p>Drinking Water</p>	<p>Suggestion Box</p>	<p>Toilet</p>

		
<p>Attendance Recorder</p>	<p>ETI Based Code Posted</p>	<p>Business License</p>



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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

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

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

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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