




# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 421131183	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 421271094
Business name (Company name):	AE ATA (HK) LTD		
Site name:	AE ATA (HK) LTD 深圳艾艺艾迪艾科技有限公司		
Site address: <i>(Please include full address)</i>	303, 304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen City, Guangdong Province (Another site: 701, Building B, JianYu No. 1 Industrial Park, Chuangye Road, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen) 广东省深圳市宝安区西乡街道南昌社区深圳前湾硬科技产业园 B 栋 303、304 (另在深圳市宝安区西乡街道南昌社区创业路健裕第一工业区 B 栋厂房 701 设有经营场所)	Country:	China
Site contact and job title:	Ms. Nicole Li / HR Manager		
Site phone:	+86 15219485080	Site e-mail:	nicole@autotestaid.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	15-16 December 2022		

<b>Audit Company Name &amp; Logo:</b>   <b>TÜVRheinland®</b> Precisely Right. TÜV Rheinland (TUEV Rheinland)	<b>Report Owner (payer):</b>  AE ATA (HK) 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) Nil			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto: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): Alex Zhang

Lead auditor: Alex Zhang

APSCA number: CSCA 21701868

Lead auditor APSCA status: In Good Standing

Team auditor: Nil

Interviewers: Alex Zhang

APSCA number: CSCA 21701868

Report writer: Alex Zhang

Report reviewer: Ina Zeng

Date of declaration: 16 December 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 <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> <li>None was observed</li> </ul>
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>None was observed</li> </ul>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>None was observed</li> </ul>
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>None was observed</li> </ul>
3. <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2	0	0	<ul style="list-style-type: none"> <li>The factory did not provide building structural safety approval of the production building B for review.</li> <li>The factory did not conduct workplace occupational hazardous factors detection.</li> </ul>
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>None was observed</li> </ul>
5. <a href="#">Living Wages and Benefits</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> <li>Social insurances did not cover to all employees</li> </ul>
6. <a href="#">Working Hours</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> <li>80% workers had monthly worked over 36 overtime hours in last 12 months</li> </ul>



7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
10A	<u>Entitlement to Work</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
10B2	<u>Environment 2-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	• N/A
10B4	<u>Environment 4-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed
10C	<u>Business Ethics</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• None was observed

General observations and summary of the site:

Positive:

1. The factory obtained and provided valid business license (No.: 91440300MA5H7D208L, period of validity was from 16 February 2022 to Long term, last approval date: 16 February 2022 for review).
2. Ms. Nicole Li / HR Manager was appointed as the key person to implement and maintain systems for delivering compliance to this code including collecting the updated laws and regulations. The factory conducted internal audit and management reviews against ETI base code.
3. The factory required all employees to copy their personal ID cards before work. Both copy of ID cards and latest individual photos were kept properly in their personnel files. No agency was used by the factory.
4. There was no child labour or young worker found during the audit. The youngest employee was 22 years old, who was born on 22 December 1999 and hired on 1 March 2022.
5. No forced labour, discrimination & harsh or inhumane treatment was reported during this audit. No deposits or original documents/papers were required to lodge for all employees.
6. Complaints control procedure was established. Suggestion box was available for employees to complain or feedback their suggestion or dissatisfaction. Employees could also communicate with their directly supervisors or through worker representative.
7. Labour contract were signed with all employees in time when they obtained employment. Each employee retained one labour contract copy for individual.

8. All workers' wages were calculated in hourly rate. The wages were paid on or before 7th of each month for last month payment cycle, and wages were paid by cash. No arrears of wage was identified through worker interview and management interview.
9. Finger print attendance system were used to record attendance time of employees and the data would be exported at the end of each month for calculation of wage. Working time policy was clearly stated in the employee manual. The working hours were clearly defined in the employee manuals and labour contract.
10. Ms. Nicole Li / HR Manager was appointed as the EHS monitor. EHS policy was established, and regularly EHS meeting was held between management, EHS group members and worker representative.
11. Toilets and potable water facilities were set enough in each area. No canteen or dormitory was provided to workers by the factory.
12. Emergency drills including fire-fighting training and emergency escape drill had been conducted for all employees. The record of last drill was available for review.
13. Environmental Impact monitoring reports were provided to review.
14. Appropriate trainings were provided to all employees, which including factory rules and regulations, social responsibility, occupational health, safety, environment protection and so on.
15. Six individual workers and one group of four workers were interviewed. Workers' attitude was positive and polite during interview. Employees showed the favourable attitude toward the factory via workers interview.
16. During worker interview, the factory had provided a private space for auditor to carry out the interview successfully.

Negative:

1. The factory did not provide building structural safety approval of the production building B for review.
2. The factory did not conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk.
3. According to social insurance purchasing records reviewed, the management and workers interview to confirm that, there were 49 employees in total in the factory, the factory purchased endowment insurance, unemployment insurance, work injury insurance, medical insurance and maternity insurance to 28 employees. The factory had provided group commercial injury insurance to all employees, which validated from 26 March 2022 to 25 March 2023.
4. Based on the payrolls of workers from March 2022 to November 2022, and the attendance records provided by the factory, it was identified that about 80% workers had monthly worked over 36 overtime hours in last 9 months. The monthly overtime working hours of 10 sampled workers for the three sampled months as: the maximum monthly overtime working hours of 10 sampled workers on November 2022 (current month) were 76 hours. The maximum monthly overtime working hours of 10 sampled workers on March 2022 were 78 hours, and the maximum monthly overtime working hours of 10 sampled workers on July 2022 were 82 hours.

Observation:

Nil

Good Examples:

Nil



*\*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:	AE ATA (HK) LTD	
B: Site name:	AE ATA (HK) LTD 深圳艾艺艾迪艾科技有限公司	
C: GPS location: (If available)	GPS Address: 303, 304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen City, Guangdong Province (Another site: 701, Building B, JianYu No. 1 Industrial Park, Chuangye Road, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen)	Latitude: N22°60'03"59  Longitude: E113°84'28"87
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: 91440300MA5H7D208L period of validity was from 16 February 2022 to Long term update date: 16 February 2022	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Cable, Battery electrical system analyser	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>AE ATA (HK) LTD had two sites located at about 200 meters far away. One address was 303, 304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen, and another address is 701, Building B, JianYu No. 1 Industrial Park, Chuangye Road, Nanchang Community, Xixiang Sub-district, Bao'an District, Shenzhen. The factory only rented half of 3F in one 8-storey production building which was about 2412 square meters, and only rented half of 7F in one 7-storey building which was about 800 square meters, the factory used those building area as production workshop, warehouse and office. There was no canteen or dormitory provided to workers. There were 49 employees currently working in the factory including 23 male employees and 26 female employees, which included 47 production employees and 2 non-production employees. The youngest employee was 22 years old, who was born on 22 December 1999 and hired on 1 March 2022. No child labor or young labor was reported during the audit.</p> <p>All employees worked for 8 hours per day and 5 days per week. The normal working hours for workers were from 08:30-12:00,</p>	

Production Building no 1	Description	Remark, if any
Floor 1 to 2	It was rented by other company	It was out of audit scope
Floor 3	303 and 304 were used as production workshop and office by the audit	The other half floor was rented by other company
Floor 4 to 8	It was rented by other company	It was out of audit scope
Is this a shared building?	Yes	Year of establishment: No information
Production Building no 2	Description	Remark, if any
Floor 1 to 6	It was rented by other company	It was out of audit scope
Floor 2	701 was used as production workshop by the audit	The other half floor was rented by other company
Is this a shared building?	Yes	Year of establishment: No information

13:30-18:00. The lunch break were from 12:00 to 13:30. If necessary, overtime working was from 18:30 to 20:30. Finger print attendance machines were used to attendance recording. All workers' wages were calculated in hourly rate, which were paid around 7th of each month for last month payment cycle by cash. The latest wage had been paid till the month of November 2022, so during the audit, the reviewed attendance records were from 1 March 2022 to audit day, and the reviewed wages were from March 2022 to November 2022 (the auditee started to run business since 1 March 2022). Remark: According to the auditee started working since 08:30 AM, the close meeting was arranged from 12:00 to 12:30, the factory manager accepted the arrangement of the close meeting time.

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

F2: Please give details:  
 No visible structural integrity issue was found during the audit. Factory construction was in good conditions.

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

F4: Please give details:

	The factory did not provide the building structural safety approval of the production building B for review.
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)	Not obvious
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Products: Cable, Battery electrical system analyser Production Processing: Cable: cutting, soldering, injection, testing, packing; Battery electrical system analyser: assembly, testing, packing. Main equipment: injection machines (8), packing machines (3), etc.
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) Worker representative <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation No onsite accommodation provided to workers
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 N/A, No onsite accommodation provided to workers

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 18:00	Day 1 Time in: 08:30 Day 1 Time out: 12:30	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	One auditor in 1.5 days		
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 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 <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Ms. Nicole Li / HR Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

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

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 type="checkbox"/> No N/A
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	One worker representative was present.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no union in the factory during the audit.		



## 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	23	0	0	0	23
Worker numbers – female	3	0	0	21	0	0	0	24
Total	3	0	0	44	0	0	0	47
Number of Workers interviewed – male	0	0	0	4	0	0	0	4
Number of Workers interviewed – female	1	0	0	5	0	0	0	6
Total – interviewed sample size	1	0	0	9	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: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N/A</p> <p>If no, please describe how this may vary during peak periods: No obvious peak season.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: _____% 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>	one group of four workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 2      D2: Female: 4
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No negative complaint was arisen during worker interview.
I: What did the workers like the most about working at this site?	Workers were favourable with the wage and management.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Favourable
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers: <i>(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</i>	

Totally 10 workers were randomly selected for interview without any involvement of management, 6 individually and one group of four workers for group interview. They were favourable with the wage and management. No negative information was raised.

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

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

One worker representative was involved in interview process. She thought management was kind. Regular communication was conducted between management and worker representative. She can freely raise her opinions and involve the management activities. No any negative information was observed.

**O: Attitude of managers:**

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

The factory management cooperated with the auditor both in on-site observation and documents reviewed. The management was also willing to improve the shortage and the issues found during the audit. All audited areas were open for investigation.

## 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. Social responsibility policies and procedures were established to compliance with the human rights.
2. Ms. Nicole Li / HR Manager was appointed to be responsible for implementing the code and ensuring that human rights were protected.
3. The factory had communicated the social responsibility policies to the suppliers and checked the code requirement been met or not. The assessment records were provided to review.
4. The factory had established a system of corrections and corrective actions if an adverse impact on human rights within any of their stakeholders occurred.
5. The factory established the encouraging mechanism of reporting information for confidentially reporting and dealing with human rights impacts without fear of reprisals towards to report. The employees could report via suggestion box, work representative or directly to the management and the information of reporter would be confidential to others.

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

##### Details:

Training records, social responsibility manual, supplier assessment report, management review records, employee manual, encouraging mechanism of reporting information, signed commitment and supplier management procedure

##### 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:  Social responsibility manual states the requirement to respect human rights and the signed commitment with suppliers and training records was provided for review.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details:  Name: Ms. Nicole Li  Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  C1: Please give details:  Complaint control procedure and protection for whistle-blower control procedure was established. The employees could report through suggestion box, work representative or directly to the management and the information of reporter would be confidential to others.</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 established the privacy protection procedure and only authorized employees had the right to such kind of information.</p>

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



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

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: __2__ %	A2: This year __1__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __2__ %	C2: This year __1__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	1%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Per document review and management interview, no accident was occurred in the past 12 months.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 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	H1: Last year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers

**0B: Management system and Code Implementation**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory had posted ETI code on the bulletin board, and communicated this code to worker.
2. Ms. Nicole Li / HR Manager was appointed to be responsible for the complying with the code, the factory had implemented and kept compliance with the ETI Code.
3. The factory had conducted the internal assessment every year and showed the relevant records for review.
4. The factory conducted the supplies assessment on human right and checked the code requirements of ETI were met or not.
5. The factory had completed the Sedex SAQ before auditing.

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

Details:

Worker manual, training records, internal report, CSR manual and procedures

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?

Yes

No

A1: Please give details:

No any fines/prosecutions was occurred.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

Yes

No

B1: Please give details:

The factory established policies and procedures on forced labor, child labor, discrimination, harassment & abuse, no negative evidence was found.

<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>The factory has provided orientation training and regular training to employees to strengthen their awareness on company policy relating to child labour, forced labour, discrimination, harassment &amp; abuse. Training records were provided for review. Through workers interview, it was noted that employees knew the mentioned company policy and they never hear any reporting about discrimination, harassment &amp; abuse. During onsite observation and document review, there was no child labour or forced labour reported in the facility.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details:  All employees, included new employees were required to attend the training of forced labour, child labour, discrimination, harassment and abuse. Training records were provided during the audit.</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:  Through worker interview to know that, workers revealed that they were trained and learned about the policy. Training records were provided for review.</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:  No 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:  Ms. Nicole Li / HR Manager was responsible for human resource management.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  H1: Please give details:  Ms. Nicole Li / HR Manager was responsible for implementation of the code.</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:  There was a policy in place 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 established the privacy protection procedure and only authorized employees had the right to such kind of information.</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 assessment procedure was established. Risk list was available to review, which included the effectiveness of the policy and procedure of personal privacy information confidentially.</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 facility had a process to address issues found when conducting risk assessments. The issues would reported to department supervisor.</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:                      Supplier management procedure was established. Through document review, labour standards were included in the supplier assessment.</p>
<p><b>Land rights</b></p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      N1: Please give details:                      The factory provided the lease contract and state-owned land use certificate for review.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                      O1: Please give details:                      The factory provided the ownership certificate copy for review. The company obtain free, prior and informed consent though internet.</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 type="checkbox"/> No                      P1: If yes, how does the company obtain FPIC:                      N/A                      Remark: The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from the governmental department. The</p>

	governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility obtained the permission from government for the building being built.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: N/A. No land acquisition plan.
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 illegal land for facility building or expansion of footprint.

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:                      None was observed.</p> <p><b>Local law and/or ETI requirement:</b>                      N/A</p> <p><b>Recommended corrective action:</b>                      Nil</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None was observed.</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      Nil</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b></p> <p>None was observed.</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>



**1: Freely Chosen Employment**

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

**ETI**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. Relevant policies and procedures (procedure of forced labour prohibition, procedure of bonded and prison labour prohibition) were established.
2. The employees obtained their job by themselves or recommendation. Through worker interview and management interview, workers stated they were not required to lodge deposits or their ID cards. All new recruited employees kept the identity papers by themselves, only the copy of identity papers should be handed up to HR Department for personnel file.
3. The employees could freely resign after notifying their management in advance of 30 days.
4. Based on workers' interview and document review, there was no forced, bonded or involuntary prison labour in factory area.

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

Details:

Recruitment procedure, procedure of forced labour prohibition, procedure of bonded and prison labour prohibition, employee personnel file, labour contracts, worker interview and management interview

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:                  N/A</p>
<p>E: If any part of the business is UK based or registered there &amp; has a</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p>

turnover over £36m, is there a published a 'modern day slavery statement'?	<input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: N/A
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The risks of forced / trafficked / bonded labour in its supply chain were conveyed to all employees, the site understood the risks.
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: Regular training and new employees training, including the risks of forced/trafficked labour was conducted to all the employees.

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b>  N/A

Observation:	
<b>Description of observation:</b> None was observed.  <b>Local law or ETI requirement:</b> N/A <b>Comments:</b> Nil	<b>Objective evidence observed:</b>  N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b> None was observed.	<b>Objective evidence observed:</b> N/A

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The right of association and right to collective bargaining was not restricted. Policy on respecting freedom association and collective was conducted.
2. Complaints control procedure was established. Based on workers interview, workers were free to raise the suggestion through supervisor, worker representative, HR department and suggestion box directly or anonymously.
3. Procedure of worker representative election was established. The election of worker representative was conducted regularly. There were two worker representatives in the factory, which was freely election in August 2022. There was no union in the factory during the audit.
4. Worker representatives were responsibility for all employees' suggestion collecting and reporting.
5. Regularly communication meeting between management and worker representative was took. Meeting records were provided for review.

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

Details:

Policy on respecting freedom of association and collective bargaining, Procedure of worker representative election, election record, meeting minutes, worker interview and management interview

Any other comments:

Nil

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name)  <input type="checkbox"/> Worker Committee  <input checked="" type="checkbox"/> Other (specify) worker representative  <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>

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: Worker representatives  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: Worker representatives can carry out function without interruption and take advantage of factory facilities.	
F: Name of union and union representative, if applicable:	There was no union in the factory	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?	Worker representative	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	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 12 August 2022
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 <b>Yes</b> , please state how many: One worker representative was interviewed during the audit.	
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>	Latest worker representative was elected on 12 August 2022. There were two worker representatives in the factory. Regularly communication meeting between management and worker representatives were held. Per document review and worker representative interview, the latest meeting was held on 8 November 2022 with the issue of training for production safety.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade Union/worker representation	M1: ___% workers covered by Union CBA N/A	M2: ___% workers covered by worker rep CBA N/A

M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:                      None was observed.</p> <p><b>Local law and/or ETI requirement:</b>                      N/A</p> <p><b>Recommended corrective action:</b>                      Nil</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

Observation:	
<p><b>Description of observation:</b>                      None was observed.</p> <p><b>Local law or ETI requirement:</b>                      N/A</p> <p><b>Comments:</b>                      Nil</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b>                      None was observed.</p>	<p><b>Objective evidence observed:</b></p> <p>N/A</p>

### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

#### Current Systems and Evidence Examined

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

#### Current systems:

1. The factory had established EHS procedures and the document were available for review.
2. EHS training was hosted every year, especially at the time of recruiting new employees, topics about the usage of PPE, fire safety, safety production, machine operation and maintenance and so on.
3. Clean toilets segregated by genders were provided in the factory and potable water with inspection report was available. No canteen or dormitory was provided to workers per onsite observation and worker interview.
4. Ms. Nicole Li / HR Manager was appointed as the EHS responsible person. The relevant training records were kept.
5. First aid kits with sufficient stuffs were available in the workshops together with the inspection records. There were three qualified first aiders in factory. Near the first aid kits, the contact information of first aider was posted.
6. The factory had arranged the fire drill for twice per year, which included the evacuation exercise and the use of the fire-fighting facilities, covering all employees. The latest fire drill was conducted on 22 May 2022.
7. Fire-fighting facilities were well equipped and checked regularly. Exits of each floor had been equipped with the emergency lights and safety exit indicator. Emergency evacuation plan was posted on the wall of each workshop, and the emergency assembly spot was easy to identify. Evacuation indicators had been installed at the staircase. The escape routes were clear and unblocked.
8. The factory conducted workplace occupational hazard factor detection. The occupational health training were provided to workers once they joined the factory.

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

Details:

Fire protection acceptance report, Health and safety training records, First aider certificate, Fire drill records, EHS policy, Onsite tour, Management interview and worker interview

Any other comments:

Nil

<p>A: Does the facility have general and occupational Health &amp; 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 facility had general Health &amp; Safety and occupational Health &amp; Safety policies and procedures that are fit for purpose, and these were communicated to workers by bulletin board and training.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  B1: Please give details:  Per document review, 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 any structural addition was found during the audit.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details:  The factory informed visitors on H&amp;S and provided for visitors with personal protective equipment. Factory also posted the warning signs to remind visitors and workers.</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:  Sufficient first aid kits stocked with necessary supplies were provided in workshops, which were freely obtained for workers. First aider's contact information was posted beside the first aid kit.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  F1: Please give details:  There were three qualified first aiders in the factory. The first aider's contact information was posted beside each first aid kit.</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 facility was provided to workers.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  H1: Please give details:  N/A. No dormitory was provided to employees.</p>
<p>I: Are H&amp;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:  H&amp;S assessments were conducted. Risk assessment list was available to review.</p>



<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  J1: Please give details:                  Environmental impact monitoring reports were obtained and provided to review.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  K1: Please give details:                  The site met its customer requirements on environmental standards, including the use of banned chemicals. No banned chemical was used.</p>

<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:                  The factory did not provide building structural safety approval of the production building B for review.</p> <p><b>Local law and/or ETI requirement</b>  <b>Local law</b>  <b>Construction Law of the People's Republic of China, Article 61.</b>                  The construction projects delivered for completion acceptance must meet the specified quality standards for construction projects, have complete engineering technical and economic data and signed project warranty, and meet other completion conditions specified by the state. The construction project can be delivered for use only after it is completed and accepted as qualified; Those that have not been checked and accepted or have not passed the check and acceptance shall not be delivered for use.</p> <p><b>ETI requirement</b>                  3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p><b>Recommended corrective action:</b>                  The factory should obtain building structural safety approval for the production buildings.</p>	<p><b>Objective evidence observed:</b>                  Documents review, management interview</p>
<p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:                  The factory did not conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk.</p> <p><b>Local law and/or ETI requirement</b>  <b>Local law</b>  <b>Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 26.</b></p>	<p>Documents review, management interview</p>



The employer shall assign special persons to carry out daily monitoring of the factors of occupational disease hazards and make sure that the monitoring system is under normal working conditions. The employer shall, in accordance with the regulations of the production safety supervision and administration department under the State Council, have the factors of occupational disease hazards regularly monitored and assessed at the workplace. The results of monitoring and assessment shall be kept in the unit's files of occupational health regularly reported to the local production safety supervision and administration department and announced to the workers.

**ETI requirement**

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:**

The factory should conduct workplace occupational hazardous factors detection annual at least.

Observation:	
<p><b>Description of observation:</b> None was observed.</p> <p><b>Local law or ETI requirement:</b> N/A</p> <p><b>Comments:</b> Nil</p>	<p><b>Objective evidence observed:</b>  N/A</p>

Good Examples observed:	
<p><b>Description of Good Example (GE):</b> None was observed.</p>	<p><b>Objective evidence observed:</b>  N/A</p>

**4: Child Labour Shall Not Be Used**

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

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

**ETI**

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

**Current Systems and Evidence Examined**

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

**Current systems:**

1. No child labour or young labour was recruited by the factory. Prohibition of child labour/ Child labour remediation management procedure was established. Factory indicated that they would never employ and use any child labour. Applicants should provide their original ID card for age verification during the recruitment and they would be refused if they were found younger than 16 years old or they used fake ID certificate.
2. Child labour procedure had clearly defined that the remediation actions in case the factory employed by mistake. Such as child labour would be transferred to their parent, provided the health examination and provided the necessary fund for finishing the basic education until no longer a child and so on.
3. Through the employee roster, workers' personnel files, labour contracts and onsite observation, no any child labour worked in the factory. The youngest employee was 22 years old, who was born on 22 December 1999 and hired on 1 March 2022.
4. Although no child labor or young worker under 18 years old worked in the factory, the factory had established young workers protection procedure. Such as young worker was not permitted to work at night or in hazardous conditions, young worker was required to arrange physical health examination before engaged to their work and annual health examination, etc.
5. Sufficient numbers of employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.

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

Details:

Policy on Prohibition of Using Child Labour, Policy on Protection of Minors, Recruitment Procedure, Employee manual, Personnel files with ID copies, Training records, Child Labour Remediation Procedure Employee roster

Any other comments:

Nil

A: Legal age of employment:	16
B: Age of youngest worker found:	22
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 N/A E1: If yes, give details

Non-compliance:	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.  <b>Local law and/or ETI requirement:</b> N/A  <b>Recommended corrective action:</b> Nil	<b>Objective evidence observed:</b>  N/A

Observation:	
<b>Description of observation:</b> None was observed.  <b>Local law or ETI requirement:</b> N/A  <b>Comments:</b> Nil	<b>Objective evidence observed:</b>  N/A

Good Examples observed:	
<b>Description of Good Example (GE):</b>  None was observed.	<b>Objective Evidence Observed:</b>  N/A

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The local legal minimum wage was RMB 2360 per month (equal RMB 13.56 per hour) since 1 January 2022 in Shenzhen City. The minimum wage document issued by the local government, which was obtained and posted in the factory area.
2. Through payroll and employees interview, it was shown that all workers' wage was calculated in hourly rate. The minimum hourly rate was RMB 13.68 per hour for regular working hours.
3. Overtime hours on normal working days were paid according to 150% of the normal wages. Overtime hours on rest days were paid according to 200% of the normal wages. The overtime hours on holidays would be paid by 300% of normal wage.
4. The wages were paid by cash no later than 7th of next month. The calculation period was from the 1st day to the last day of the calendar month.
5. There were 49 employees in total in the factory, the factory purchased endowment insurance, unemployment insurance, work injury insurance, medical insurance and maternity insurance to 28 employees. The factory had provided group commercial injury insurance to all employees, which validated from 26 March 2022 to 25 March 2023.
6. The latest wage was paid till November 2022. During the audit period, the reviewed wages were from March 2022 to November 2022 (The auditee started to run business since 1 March 2022).

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

Details:

Payroll record, attendance record, minimum wage document, management interview, worker interview, social insurance receipt

Any other comments:

Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

According to social insurance purchasing records reviewed, the management and workers interview to confirm that, there were 49 employees in total in the factory, the factory purchased endowment insurance, unemployment insurance, work injury insurance, medical insurance and maternity insurance to 28 employees. The factory had provided group commercial injury insurance to all employees, which validated from 26 March 2022 to 25 March 2023.

**Local law and/or ETI requirement:**

**Local law**

**Labour Law of the People's Republic of China, Article 72.**

Social insurance funds determine the sources of funds in accordance with the type of insurance, and gradually implement social pooling. Employers and workers must participate in social insurance according to law and pay social insurance premiums.

**Labour Law of the People's Republic of China, Article 73**

Labourers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:

1. Retirement;
2. illness or injury;
3. Disability caused by work-related injury or occupational disease;
4. Unemployment; and
5. Child-bearing.

**ETI requirement**

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

**Recommended corrective action:**

The factory should purchase social insurances for all employees.

**Objective evidence observed:**

Document review, management interview and worker interview

**Observation:**

**Description of observation:** None was observed.

**Local law or ETI requirement:** N/A

**Comments:** Nil

**Objective evidence observed:**

N/A

**Good Examples observed:**

**Description of Good Example (GE):**

None was observed.

**Objective evidence observed:**

N/A

### 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 type="checkbox"/> No N/A
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Not exceed 3 hours per day and 36 hours per month	B1: Maximum 2 hour per day, Maximum 18 hour per week and Maximum 82 hour per month	B2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
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: RMB 2360/month (equal RMB 13.56 per hour) Since 1 January 2022	C1: RMB 13.68 per hour	C2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Not less than 150% of normal wage for weekday overtime wage per hour. Not less than 200% of normal wage for weekend and statutory holiday overtime wage per hour. Not less than 300% of normal wage for overtime hours more than 8 hours on rest day and statutory holiday overtime wage per hour.	D1: 150% of normal wage per hour for weekday overtime wage, 200% of normal wage per hour for weekend and 300% of normal wage per hour for statutory holiday overtime arrangement observation.	D2: <input type="checkbox"/> Yes <input type="checkbox"/> No N/A

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If <b>No</b> , why not?	N/A		
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 samples in March 2022 (Random month) 10 samples in July 2022 (Random month) 10 samples in November 2022 (Current paid month)		
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If <b>Yes</b> , please give details: N/A	
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 <b>No</b> , 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 13.68/hour RMB 547.2/week (13.68x40) RMB 2380/month (13.68x21.75x8)	
F: Please indicate the breakdown of workforce per earnings:	F1: <u>  </u> % of workforce earning under minimum wage F2: <u>  </u> % of workforce earning minimum wage F3: <u>  </u> % 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> Post allowance, etc.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurances (basic retirement insurance, unemployment insurance and medical insurance) and personal income tax		
I: Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: Please list all deductions that <b>have</b> been made.	1. Nil Please describe: Nil
		I2: Please list all deductions that <b>have not</b> been made.	1. social insurance and personal income tax were paid by the factory Please describe: social insurance and personal income tax were paid by the factory



<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type N/A</p> <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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: Please give details: Confirmed by worker interview, no meetings was requested before or after work and the employees scan their finger after shift begins and ends. Workers were paid for all time including 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>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>M1: Please specify amount/time: N/A</p>	
<p>M2: If yes, what was the calculation method used.</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 <p>Other – please give details: N/A</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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>N1: Please give details: The factory conducted the basic need survey to check whether the paid wage could meeting the basic needs.</p>	
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>P1: Please give details: Per employee manual review and worker interview, it was confirmed that equal rates were being paid for equal work.</p>	
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other <p>Q1: If other, please explain:</p>	



**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. All employees worked for 8 hours per day and 5 days a week. The normal working hours for workers were: 08:30-12:00, 13:30-18:00. The lunch break were from 12:00 to 13:30. If necessary, 2 hours overtime working would arrange as: 18:30 to 20:30.
2. Finger print attendance system were used attendance recording. The attendance records could be checked from computer system, and HR department was responsible for records collecting and keeping.
3. As shown in the working time record, there was maximum 2 hours overtime per day, maximum 18 hours overtime per week and maximum 82 hours overtime per month.
4. 1 day- off after 6 consecutive working days was guaranteed.
5. The maximum weekly total working hours including overtime hours were 58 hours, which did not exceed 60 hours by the ETI code.
6. Based on attendance records of 10 samples from 1 March 2022 to audit day, it was noted that during this period, all workers daily overtime hours did not exceed 2 hours, which met local law requirement. The maximum monthly overtime was 58 hours, which occurred on July 2022 (the auditee started to run business since 1 March 2022).

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

Details:

Employee manual, attendance management regulations, attendance records, payroll records, the records of materials in and out, worker interview and management interview

Any other comments:

Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

Based on the payrolls of workers from March 2022 to November 2022, and the attendance records provided by the factory, it was identified that about 80% workers had monthly worked over 36 overtime hours in last 9 months. The monthly overtime working hours of 10 sampled workers for the three sampled months as: the maximum monthly overtime working hours of 10 sampled workers on November 2022 (current month) were 76 hours. The maximum monthly overtime working hours of 10 sampled workers on March 2022 were 78 hours, and the maximum monthly overtime working hours of 10 sampled workers on July 2022 were 82 hours.

**Local law and/or ETI requirement:**

**Local law**

**China Labour Law, Article 41.**

The employer can prolong work hours due to needs of production or businesses after consultation with its trade union and labourers. The work hours to be prolonged, in general, shall be no longer than one hour a day, or no more than three hours a day if such prolonging is called for due to special reasons and under the condition that the physical health of labourers is guaranteed. The work time to be prolonged shall not exceed, however, 36 hours a month.

**ETI requirement**

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.

**Recommended corrective action:**

The factory should ensure the overtimes of workers be in accordance with the legal requirements.

**Objective evidence observed:**

Document review, management interview and worker interview

**Observation:**

**Description of observation:** None was observed.

**Local law or ETI requirement:** N/A

**Comments:** Nil

**Objective evidence observed:**

N/A

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

<b>Working hours' analysis</b> Please include time e.g. hour/week/month ( <a href="#">Go back to Key information</a> )					
<b>Systems &amp; Processes</b>					
A. What timekeeping systems are used: time card etc.	Describe: Finger print attendance machines				
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 <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	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			
<b>Standard/Contracted Hours worked</b>					

G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:  N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:  N/A
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours/day, 18 hours/week, 78 hours/month in March 2022 (Random month) 2 hours/day, 18 hours/week, 82 hours/month in July 2022 (Random month) 2 hours/day, 18 hours/week, 76 hours/month in November 2022 (Current month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___80___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Employee manual, company policy, working hours management and worker interview.
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages: 150% of normal wage per hour for weekday overtime wage per hour, 200% of normal wage per hour for weekend overtime working. 300% of normal wage per hour for overtime hours in statutory holiday.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 100% of workers & monthly paid
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	

<p>complete the boxes where relevant.</p>	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</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>N/A</p> <p><input type="checkbox"/> <b>Overtime is voluntary</b></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>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>N/A. The maximum weekly working hours (including overtime working hours) were 58 hours.</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><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Q1: If yes, please give details:</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 checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</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 established the anti-discrimination policy and procedure. No discrimination issue was found during the audit.
2. During worker interviews, it was noted that there was no unequal, abuse, unusual disciplinary practices, and there were no preference on the religion, origin, political affiliation or age.
3. Employment contracts were provided for review and they showed that male and female employees were on the same pay grade for same work.

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

Details: Management interview and employee interview, Non-discrimination policy, Employment contracts, Recruitment procedure, Employee manual

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: _0_ % A2: Female: _100_ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found N/A C1: Please give details: No negative evidence was found.

**Professional Development**

A: What type of training and development are available for workers?	work instruction, PPE usage, factory policy, Social responsibility manual, EHS training, fire safety, chemical safety, environment protection
---	---

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

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:                  None was observed.</p> <p><b>Local law and/or ETI requirement:</b>                  N/A</p> <p><b>Recommended corrective action:</b>                  Nil</p>	<p><b>Objective evidence observed:</b>                  N/A</p>
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**Observation:**

<p><b>Description of observation:</b> None was observed.</p> <p><b>Local law or ETI requirement:</b> N/A</p> <p><b>Comments:</b>                  Nil</p>	<p><b>Objective evidence observed:</b>                  N/A</p>
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**Good Examples observed:**

<p><b>Description of Good Example (GE):</b>                  None was observed.</p>	<p><b>Objective Evidence Observed:</b>                  N/A</p>
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**8: Regular Employment Is Provided**

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

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

**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

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

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

Details:

Recruitment procedure, Labour contract, Employee roster and employee personnel file, Factory tour, Worker interview and management interview

Any other comments:

Nil

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:            None was observed.</p> <p><b>Local law and/or ETI requirement:</b>            N/A</p> <p><b>Recommended corrective action:</b>            Nil</p>	<p><b>Objective evidence observed:</b>            N/A</p>

Observation:	
<p><b>Description of observation:</b> None was observed.</p> <p><b>Local law or ETI requirement:</b> N/A</p> <p><b>Comments:</b>            Nil</p>	<p><b>Objective evidence observed:</b>            N/A</p>

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

## Responsible Recruitment

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

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	All types of work
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: Nil

	B2: Total number of (outside of local country) recruitment agencies used: N/A	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A. No any deduction was occurred. Please describe finding: N/A	C2: Observations: N/A
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:  Management: 2	

**NON-EMPLOYEE WORKERS**

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

<b>Agency Workers (if applicable)</b>	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  E1: Please give details: N/A

<b>Contractors:</b>	
<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:
B: If <b>Yes</b> , how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A  C1: Please describe finding: N/A
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	N/A

**8A: Sub-Contracting and Homeworking**

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

1. No process was done by sub-contractors during the audit.
2. No homeworking was found in this factory, and the factory established policy on not hiring homeworking.

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

Details:

In and out records at warehouse, Production plan, Management interview and worker interview

Any other comments:

Nil

**Non-compliance:**

**1. Description of non-compliance:**

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

None was observed.

**Local law and/or ETI requirement:**

N/A

**Recommended corrective action:**

Nil

**Objective evidence observed:**

N/A

**Observation:**

**Description of observation:** None was observed.

**Objective evidence observed:**

Local law or ETI/Additional elements requirement: N/A	N/A
Comments: Nil	

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

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

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 <b>Yes</b> , summarise details: N/A		
B: Number of homeworkers	B1: Male: N/A	B2: Female: N/A	Total: N/A
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A		C1: If through agents, number of agents:

D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	N/A	
F: What processes are carried out by homeworkers?	N/A	
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No  G1: Please give details: N/A	
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	



**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&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  The contact information of 3rd party such as community were post in the factory.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Per management interview and workers interview, the workers confirmed that they knew the way to report their complaints or grievances to 3rd party. Management revealed that they did not interfere with such reporting 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>Suggestion box</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 checked="" type="checkbox"/> Suppliers  <input type="checkbox"/> Other    D1: Please give details:  There was a grievance mechanism in place for its' internal and external interested parties.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No    E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No    F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No    G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

<p>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>
--	--

**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 management interview and worker interview, no case of abuse or discipline were happened in the factory at past and the disciplinary procedure of the factory was verbally warning and workers signed a slip to confirm they had understood the procedures.
2. No negative evidence of mental / physical abuse, sexual or other harassment and verbal abuse were identified during the audit.
3. The policy of anti-harsh or inhumane treatment was established in the factory.
4. The policy of a confidential grievance mechanism was established in the factory.

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

Details:  
 anti-harsh or inhumane treatment policy, disciplinary procedure, Management interview and workers interview

Any other comments:  
 Nil

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:                  None was observed.</p> <p><b>Local law and/or ETI requirement:</b>                  N/A</p> <p><b>Recommended corrective action:</b>                  Nil</p>	<p><b>Objective evidence observed:</b>                  N/A</p>

Observation:	
<p><b>Description of observation:</b> None was observed.</p> <p><b>Local law or ETI requirement:</b> N/A</p> <p><b>Comments:</b> Nil</p>	<p><b>Objective evidence observed:</b>                  N/A</p>

**Good Examples observed:**

Description of Good Example (GE):

None was observed.

**Objective Evidence Observed:**

N/A

**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. Confirmed by policy that only workers with a legal right to work should be employed.
2. All workers were hired directly by factory, and no any recruitment fee was paid by workers at any recruitment process.
3. The factory kept personnel file for each worker, each employee file included a bio-data sheet, a recent photo and the age documentation, which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth copies.

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

Details: Recruitment procedure, Personnel files and ID copies, Worker manual, Interview with management and workers, Labor contract, Identification recognition procedure

Any other comments: Nil

**Non-compliance:**

**1. Description of non-compliance:**

- NC against ETI/Additional Elements       NC against Local Law  
 NC against customer code:  
 None was observed.

**Objective evidence observed:**  
N/A

**Local law and/or ETI /Additional Elements requirement:**

N/A

**Recommended corrective action:**

Nil

**Observation:**

**Description of observation:**

None was observed.

**Objective evidence observed:**  
N/A

**Local law or ETI/Additional Elements requirement:**

N/A

<b>Comments:</b> Nil	
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<b>Good examples observed:</b>	
Description of Good Example (GE): None was observed.	<b>Objective Evidence Observed:</b> N/A

**10. Other issue areas 10B4: Environment 4–Pillar**

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

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

**B.4. Compliance Requirements**

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance.

**B4. Guidance for Observations**

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

*Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)*

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.
2. All legally required certificates including the Registration Form / Evaluation Report of Environmental Impacts of the Construction and the Fixed pollution source discharge registration, etc. were available and valid during this audit.
3. The annual monitoring report for waste air and water showed that the pollutant discharging was compliant with the environmental laws and regulations. Based on observation on site, all wastes were properly classified and collected by the factory. No negative evidence was identified during this audit.
4. Based on workers interview, all interviewees had been trained on environmental protection issues.
5. The factory had established environment policy including environment emergency action procedures, relevant procedure and carried out the Environment Management System as well.

6. Hazardous wastes were collected and segregated effectively. All hazardous wastes were transferred and handled by a qualified third party based on relevant contract which was provided for review during this audit.

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

Details:

1. All legally required environmental documents were provided for review.
2. Environmental policy and training records
3. Energy bills, Water bill
4. Peeling & packing leftovers and wastes transfer documentation
5. Renewal energy specification
6. Workers and management interview
7. Factory tour

Any other comments: Nil

**Non-compliance:**

**Description of non-compliance:**

- NC against ETI/Additional Elements       NC against Local  
 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

**Objective evidence observed:**

NA

**Local law or ETI/Additional elements requirements:**

NA

**Comments:**

NA

**Good examples observed:**

**Description of Good Example (GE):**

Nil

**Objective Evidence Observed:**

NA

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Ms. Nicole Li / HR Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The factory conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Nil
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, the environment policy was communicated with employees.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory established the energy conservation and emission reduction plan based on the risk assessment results.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: There was no other sustainability system, EHS committee was available on site.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: All legally required certificates including the Registration Form / Evaluation Report of Environmental Impacts of the Construction and the Fixed pollution source discharge registration, etc. were available and valid during this audit.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: The factory provided the documents for review which recorded the hazardous chemicals used in the manufacturing processes.



J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory had set up the system to manage client's requirements and legislation in the destination countries regarding environmental and chemical issues.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had set the reduction targets in place for environmental aspects.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory provided relevant using records, transferring records, and purchasing records etc.
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognized protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Each month the factory's financial department would carry out accurate measuring and monitoring consumption of key utilities of water, energy and natural resources that followed recognized protocols or standards.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licenses and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory checked the Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licenses.

**Usage/Discharge analysis**

Criteria	Previous year: Please state period: NA	Current Year: Please state period: from March 2022 to October 2022
Electricity Usage: Kw/hrs	NA	142,600 kWh
Renewable Energy Usage: Kw/hrs	NA	NA
Gas Usage: m <sup>3</sup>	NA	NA
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	NA	NA

Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> <li>• NA</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal water supply</li> </ul>
Water Volume Used: (m <sup>3</sup> )	NA	420 m <sup>3</sup>
Water Discharged: <i>Please list all receiving waters/recipients.</i>	NA	Municipal sewer system
Water Volume Discharged: (m <sup>3</sup> )	NA	420 m <sup>3</sup>
Water Volume Recycled: (m <sup>3</sup> )	NA	0 m <sup>3</sup>
Total waste Produced <i>(please state units)</i>	NA	0.37 ton
Total hazardous waste Produced: <i>(please state units)</i>	NA	0 ton
Waste to Recycling: <i>(please state units)</i>	NA	0.32 ton
Waste to Landfill: <i>(please state units)</i>	NA	0 ton
Waste to other: <i>(please give details and state units)</i>	NA	NA
Total Product Produced <i>(please state units)</i>	NA	770,000 pieces

**10C: Business Ethics – 4-Pillar Audit**

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

**10C. Guidance for Observations**

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

**Current Systems and Evidence Examined**

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

**Current systems:**

1. The management policy of integrity and business ethic was established.
2. The factory had designated a senior manager, Ms. Nicole Li / HR Manager was supervisor for integrity and business ethic.
3. The factory had established written procedure for against bribery and corruption and it was clearly communicated to suppliers and clients by email or telephone.
4. The factory had established reporting measures regarding unethical business practices such as suggestion box, email and anonymity complaint hotline.
5. Relevant laws and regulation on business ethic were collected regularly, and the factory had established the policy upon the laws.
6. The policy of concerning bribery, corruption, or unethical Business Practice was delivered to relevant parties.
7. All employees and management could report any unethical Business Ethics by telephone hotline or online website to the local authority without and restrictions.

8. Per management interview and the website review, the factory had not been subjected to any fines/prosecutions for noncompliance to Business Ethics regulations.

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

Details: integrity and business ethic policy, training record, management interview and worker interview

Any other comments: Nil

**Non-compliance:**

**1. Description of non-compliance:**

NC against ETI/Additional Elements  NC against Local  
 NC against customer code:  
 None was observed.

**Local law and/or ETI/Additional Elements requirement:**

N/A

**Recommended corrective action:**

Nil

**Objective evidence observed:**

N/A

**Observation:**

**Description of observation:**

None was observed.

**Local law or ETI/additional elements requirement:**

N/A

**Comments:**

Nil

**Objective evidence observed:**

N/A

**Good examples observed:**

**Description of Good Example (GE):**

None was observed.

**Objective Evidence Observed:**

N/A

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details: The factory had established a Business Ethics Policy. The policy was noted and communicated to workers and suppliers.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: The training records were available for review.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: The policy was updated regularly per document review and management interview.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>D1: Please give details: The factory had established written procedure for against bribery and corruption and it was clearly communicated to suppliers and clients by email or telephone.</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

<p>Factory gate</p>	<p>Factory name</p>	<p>Production building 1</p>
<p>Production building 2</p>	<p>Emergency light, exit indicator</p>	<p>Evacuation plan</p>
<p>Fire alarm</p>	<p>Fire extinguisher</p>	<p>Fire hydrant</p>
<p>Fire sprinkler system</p>	<p>Attendance machine</p>	<p>Suggestion box</p>



<p>Drinking water</p>	<p>Toilet</p>	<p>First aid kit</p>
<p>Cutting</p>	<p>Soldering</p>	<p>Injection</p>
<p>Assembly</p>	<p>Testing</p>	<p>Ageing Test</p>
<p>Packing</p>	<p>Warehouse</p>	<p>ETI poster</p>



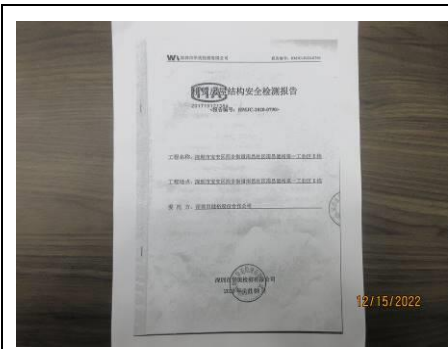
Business license



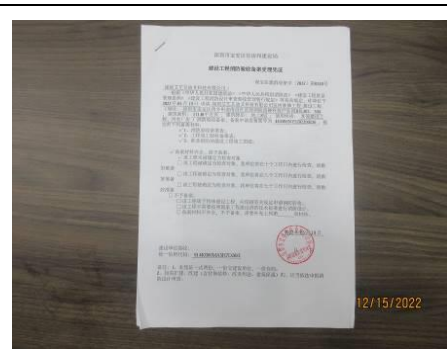
EIA approval



Fixed pollution discharge registration



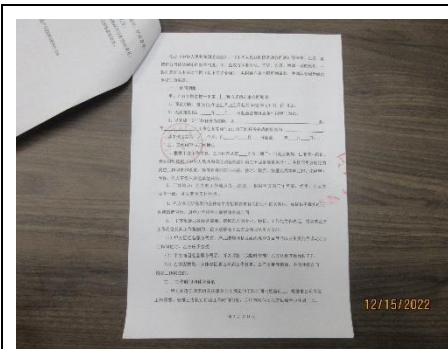
Construction acceptance report



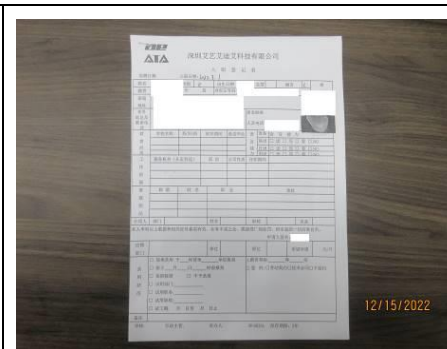
Fire acceptance report



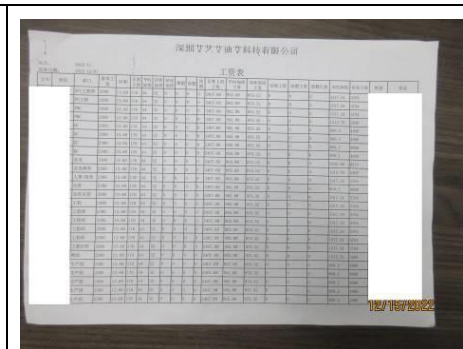
Social insurance record



Labour contracts



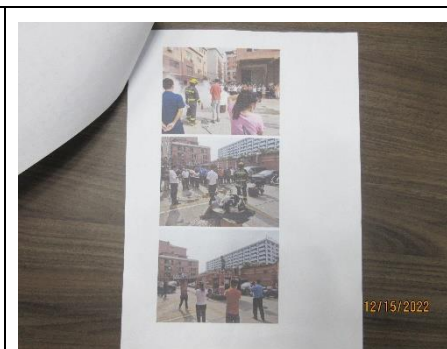
Employees files



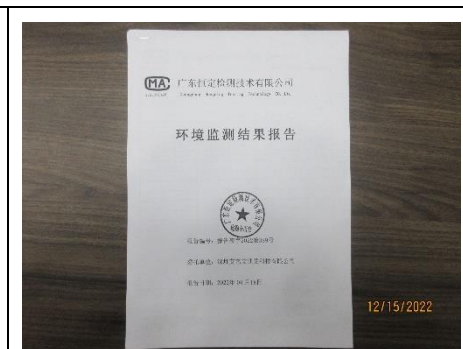
Payroll



First aider certificates



Fire drill record



Monitoring report of factory boundary



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:](#)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

**[Click here for Auditors:](#)**

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