



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC4436559	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS4513213	
Business name (Company name):	ZHEJIANG HD4U SMART HOME CO LTD			
Site name:	ZHEJIANG HD4U SMART HOME CO LTD			
Site address:	No.519 Street 16th, Export Processing Zone, Xiasha Hangzhou 浙江省嘉兴市海宁市长安镇(高新区)新潮路21号2号楼一层、三层(自主申报) JIAXING 310018 CN	Country:	CN	
Site contact and job title:	Wang Xiaojiao / HR			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-06-29			

Audit Company Name:
SGS_China

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents
2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,**4-Pillar SMETA**
 - 2-Pillar requirements plus
 - Additional Pillar assessment of Environment
 - Additional Pillar assessment of Business Ethics
 - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Irene Du	APSCA Number:	21705391
Additional Auditors:	Kelsey Wu		
Date of declaration:	2023-06-29		

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

Site Representation	
Full Name:	Wang Xiaojiao
Title:	HR
Date of declaration:	2023-06-29
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	1	GE - 6608b3df-4a71-4ead-a6d1-a2cb7366c11c
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic			0	0	0	
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§1	1	0	0	NC - 3f5ba0cf-ae00-48ec-9453-1776fc7d7e98
6 - Working hours are not excessive	6.1	§2	1	0	0	NC - 98c1ac1d-637d-4451-80fc-a5a3b875a4fd
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.
§2	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

Site Details

Site Details			
Company Name	ZHEJIANG HD4U SMART HOME CO LTD		
Site Name	ZHEJIANG HD4U SMART HOME CO LTD		
GPS location (if available)	GPS Address:	Floor 1&3, Building 2, No.21 Xinchao Road, Changan Town, Haining City, Jiaxing City, Zhejiang Province.	
	Coordinates:	Latitude: 30°21'11" N Longitude: 120°23'38" E	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business number was: 91330400MA28AJP893 Valid from Aug 3, 2016 to Aug 2, 2066.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Curtains and Roller shades		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	ZHEJIANG HD4U SMART HOME CO LTD was located at Floor 1&3, Building 2, No.21 Xinchao Road, Changan Town, Haining City, Jiaxing City, Zhejiang Province, China. It was founded on Aug 3, 2016 and focus on manufacturing Curtains and Roller shades. A total of 77 permanent workers working in the factory currently, including 71 migrant workers and 6 local workers. There was one shift 08:30-12:00; 13:00-17:30 for all workers in the factory and overtime was arranged on 18:00-20:00. The audited factory used the 1st and 3rd floor of one 4-storey production building as production and office area, the total area was 10000m ² . Remark: The audited factory rented the 2# plant 1F and 3F with an area of about 10000 square meters from Zhejiang Zhengshida Smart Home Co., Ltd. The factory provided the lease contract and the other party's business license for review. ZHEJIANG HD4U SMART HOME CO LTD and Zhejiang Zhengshida Smart Home Co., Ltd. both owned by the same boss. This audit only covered the above areas.		
Structure and number of buildings	Building Name:		Building 2#
	Floor	Description	Remark
	Floor 1	Warehouse, Canteen	Built in 2021
	Floor 2	Other Company	Built in 2021
	Floor 3	Workshop and Office	Built in 2021
	Floor 4	Other Company	Built in 2021
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on onsite observation, no visible structural integrity issues such as cracks was found.		

Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the Building Structure Safety Certificate for all the factory buildings.
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
Months of peak season	January to December
Process overview	The main products in the factory were Curtains and Roller shades. The main production processes were listed as below: Raw material - Metal processing – Cutting – Sewing – Pressing - Assembling-Inspection - Packing - Finished goods. There were four production lines in the factory. The main equipment used in the factory were sewing machines, ironing machines, etc.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	There was 2 worker committee representatives were elected in the factory.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No accommodation provided to workers by the factory.

Audit Parameters		
Time in and time out	Day 1	
	In	09:00
	Out	15:00
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Wang Xiaojiao / HR	
Is further information available	No	

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	3	0	0	35	0	0	0	38
Worker numbers – female	3	0	0	36	0	0	0	39
Total	6	0	0	71	0	0	0	77
Number of Workers interviewed – male	1	0	0	4	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	2	0	0	8	0	0	0	10

Nationalities Structure	
Nationality of Management	Chinese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: CHINESE approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no obvious peak season.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 100%
	Salaried: 0%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: NA

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group with 4 employees
Number of individual interviews:	Male: 3 Female: 3
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No worker complained anything during the interview.
What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the wages.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
10 workers were selected for interview including 5 male workers and 5 female workers, and they were interviewed as 1 group with 4 workers per group and 6 individual workers. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as food quality to their worker representatives who would take it to the worker management committee.
Attitude of worker's committee/union reps:
Interviewed with one worker representative, she said factory management were very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No negative information was identified.
Attitude of managers:
The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accessed to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditors took photos and copied relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
2. Ms. Wang Xiaojiao / HR was a designated person responsible for implementing standards concerning Human rights.
3. There was an internal audit team for quality who in addition took on the role for internal audit of the social standards of the factory and they reported to the HR and Compliance officer jointly to report their findings.

Evidence examined:

Details:
Management interview
Workers interview
Documents review

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the policy which stated that show commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The workers' manual of the factory including the policy which stated that show commitment to respect human rights.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. Wang Xiaojiao; Job title: HR

<p>Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory did have a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</p>				
<p>Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>				
<p>Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept in HR office.</p>				
<p>Measuring Workplace Impact</p>					
<p>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))</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">10.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">11.0%</td> </tr> </table>	Last year	10.0%	This year	11.0%
Last year	10.0%				
This year	11.0%				
<p>Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])</p>	<p>7.0%</p>				
<p>Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">1.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">1.0%</td> </tr> </table>	Last year	1.0%	This year	1.0%
Last year	1.0%				
This year	1.0%				
<p>Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)</p>	<p>1.0%</p>				
<p>Are accidents recorded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory recorded accident monthly.</p>				
<p>Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0.0%</td> </tr> </table>	Last year	0.0%	This year	0.0%
Last year	0.0%				
This year	0.0%				

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

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Based on document and management interview, the factory communicated ETI Code to all employees.
2. The factory conducted internal audit and management review on social accountability.
3. The factory obtained the ISO14001:2015 and ISO45001:2018 certificates.

Evidence examined:

Details:

- Social responsibility policy and procedure.
- Management system.
- Worker interview and management interview

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such case happened during the last 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers.

<p>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</p> <p>Please give details:</p> <p>The factory had provided the training to management and workers and the related record was provided for review.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on document review, the factory obtained the ISO45001:2018 certificate, and the Certificate NO: 26222SZ0032R0M, valid from Mar 1, 2022 to Feb 28, 2025 Based on document review, the factory obtained the ISO14001:2015 certificate, and the Certificate NO: 26222EZ0036R0M, valid from Mar 1, 2022 to Feb 28, 2025</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Ms. Wang Xiaojiao was HR.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory appointed Ms. Wang Xiaojiao / HR to be responsible for compliance with ETI Base Code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Policy was established in employee manual.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All worker information is kept locked in files in the personnel office.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Risk assessment was conducted to evaluate policy and procedure effectiveness, such as finance audit.</p>
<p>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</p> <p>Please give details:</p> <p>If issues addressed, actions should be taken per interview with management and HR department manager.</p>
<p>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</p> <p>Please give details:</p> <p>The factory required supplier for policy or code implementation.</p>
<p>Land Rights</p>	
<p>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</p> <p>Please give details:</p> <p>All required land rights supporting documents were provided by the factory.</p>

<p>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</p> <p>Please give details:</p> <p>The land's supporting documents were provided for reviewing, which were issued by local government.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had a written policy to land rights, but didn't include FPIC.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	6608b3df-4a71-4ead-a6d1-a2cb7366c11c	
Clause	0B - Management Systems and code Implementation	
Issue Title	35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)	
Subcategory	Site's licenses & Certifications	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	<p>Based on document review, the factory obtained the ISO45001:2018 certificate, and the Certificate NO: 26222SZ0032R0M, valid from Mar 1, 2022 to Feb 28, 2025 Based on document review, the factory obtained the ISO14001:2015 certificate, and the Certificate NO: 26222EZ0036R0M, valid from Mar 1, 2022 to Feb 28, 2025 文件审核发现，工厂获得了ISO45001:2018证书,证书编号：26222SZ0032R0M，有效期从2022年03月01日至2025年02月28日。文件审核发现，工厂获得了ISO14001:2015证书,证书编号：26222EZ0036R0M，有效期从2022年03月01日至2025年02月28日。</p>	
Evidence	Based on document review. 根据文件审核。	

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements
 1.1 There is no forced, bonded or involuntary prison labour.
 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by HR market or by friend’s recommendation.
- The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- No forced, bonded or involuntary prison labour was identified during the audit.

Evidence examined:

Details:

- Factory rules
- Employee handbook
- Personnel files
- Resignation records
- Contracts
- Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID’ (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers’ freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any restriction on workers’ freedom to terminate employment.
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a ‘modern day slavery statement?’	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: NA

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There was no restriction on workers' freedoms to leave the site at the end of the work day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>No forced/ trafficked / bonded labour was identified in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

2 - Freedom of Association and Right to Collective Bargaining are Respected
[Summary of Findings]

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

Current Systems and Evidence Examined

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

Current Systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- Based on document review, management review and worker interview, there was no union in the factory; 2 worker representatives were elected in the factory and conducted the meeting regularly. The latest meeting was conducted on Jun 1, 2023. The meeting records were provided for review.
- Through worker interview, the worker could rise up their opinion through worker representatives or communicate with their supervisor.
- Workers could raise their grievances or complaint to their worker representatives or management directly.

Evidence examined:

- Details:**
- The policy on freedom of association
 - Minutes of the worker representative meeting
 - Interview with worker and management
 - Interview with worker representative

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	There was two worker representatives were elected in the factory.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 Please give details: Worker representatives and Suggestion box	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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 Please give details: Yes, the supplier provided adequate facilities such as meeting room to allow the representatives to conduct related business.
Name of union and union representative, if applicable:	NA
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There were 2 worker representatives selected by workers freely.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on workers interview, they were aware of their representative.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-09-29
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting was conducted regularly, and the last was conducted on Jun 1, 2023. Last meeting topic was about improving the working environment.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic
[Summary of Findings]

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

- Ms. Wang Xiaojiao / HR was responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were monthly meetings between H&S committee and H&S manager.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Sufficient firefighting equipments such as fire extinguishers, fire alarm and hydrants in production building. Regular inspection was taken by the factory per month.
- There were at least two exits in each workshop.
- Fire drills were conducted in the factory on Dec 17, 2022 and May 17, 2023, they were all recorded.

3. Electrical safety

- All electrical equipments were maintained in good condition such as sockets, plugs, and main fuse boards.
- Two competent electrician in the factory and the qualification certificate was provided for review.

4. Chemical safety

- The MSDS were posted for chemical in chemical storage place and chemical labels were posted for all chemical, and secondary containment was for all chemicals.

5. Medical services

- First aid kits in all production area and they were well stocked.
- 2 trained first aiders were available in the factory, and the qualification certificates were provided for review.

Evidence examined:

Details:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records
- Building structure safety certificates
- Fire safety certificate
- Chemical list and MSDS for each chemical
- Fire drill records
- Trained first aider register
- Accident records
- Interview with factory management and workers
- Onsite observation
- Worker interview and management interview

Any other comments:

Nil

<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Ms. Wang Xiaojiao / HR was responsible for issue of Health & Safety in the factory.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Employees' manual covered the EHS policies.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Based on document review, the factory obtained the Building Structure Safety Certificates for all the buildings for review.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The visitors were informed on H&S when entered the factory by training and were provided the PPE when need.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No local law requirement, while, first aid kits were available in workshop.</p>
<p>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</p> <p>Please give details: No local law requirement, while, 2 trained first aiders were available in the factory.</p>
<p>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</p> <p>Please give details: NA. Based on management and worker interview, the factory did not provided transport for workers.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: NA. There was no dormitory provided to workers by the factory.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: EHS risk assessments were conducted regularly with actions implementation.</p>

Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the EIA, EIA approval and Environmental Facilities Inspection and Acceptance Approval for review.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was acceptable during the onsite observation.

4 - Child Labour Shall Not Be Used
[Summary of Findings]

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employs and use any child labour under the age of 16 years old.
- The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
- The youngest worker in the factory was 18 years old, and who was born on Apr 5, 2005 and entered the factory on Jun 8, 2023.

Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour

Evidence examined:

Details:

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of all workers
- Worker interview and management interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	18
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
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The local legal requirement. The local legal minimum wage was RMB 2070 / month (RMB11.90/hour) since Aug 01, 2021.
- Based on provided payroll records, all workers were paid by hourly rate. The factory paid at least RMB2300/month (RMB13.22/hour). The minimum wages were paid above the local legal requirement.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
- All workers were paid at 26th of following month by cash and each worker was given a pay slip and signed for their wages.
- All workers are 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.
- During the audit, the factory had total 77 workers, including 4 new employees and no retiree. Based on insurance payment voucher in May 2023, the factory provided 17(23.29%) workers with retirement insurance, unemployment insurance, injury insurance, medical insurance and maternity insurance. The factory provided all employees with commercial injury insurance for one year.

Evidence examined:

Details:

- Payroll records from Jun 2022 to May 2023
- Attendance records from Jun 01, 2022 to Jun 29, 2023
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Payslips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

Any other comments:

Nil

Summary Information

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 16.0 Per Month: 76.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2070.0	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 2300.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from May 2023 (Current month), 10 samples from Jul 2022 (Random month), 10 samples from Nov 2022 (Random month).		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Based on provided payroll records, all workers were paid by hourly rate. The factory paid at least RMB2300/ month (RMB13.22/hour). The minimum wages were paid above the local legal requirement.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Post allowance, full attendance allowance Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and income tax.		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	1. The factory deducted personal income tax based on their incoming. 2. Personal part of social insurance for some workers		
Please list all deductions that have not been made.	1. Personal income tax (some workers' wage did not reached starting point of the personal income tax). 2. Social insurance.		

Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided all workers payroll records from Jun 2022 to May 2023 and Attendance records from Jun 01, 2022 to Jun 29, 2023 for review.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory reviewed the wages yearly refer to local bureau, workers opinion etc.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on worker interview, equal work had equal rates.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	3f5ba0cf-ae00-48ec-9453-1776fc7d7e98	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	The factory did not provide social insurance for all employees as per legal requirements. During the audit, the factory had total 77 workers, including 4 new employees and no retiree. Based on insurance payment voucher in May 2023, the factory provided 17(23.29%) workers with retirement insurance, unemployment insurance, injury insurance, medical insurance and maternity insurance. The factory provided all employees with commercial injury insurance for one year. 工厂未给所有员工提供社保。审核期间，工厂共有生产员工77名，其中包含4名新入职员工，无退休年龄员工。根据工厂2023年5月份的社保缴费凭证显示，工厂给17名员工(23.29%)提供了养老保险，失业保险，工伤保险和医疗保险。工厂给所有员工提供了为期一年的商业意外险。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	

Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should provide the social insurance for all workers. 工厂应给所有员工缴纳所有社保。	

6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory provided all workers' attendance records from Jun 01, 2022 to the audited day for review.
- The working time of workers were recorded by fingerprint and face recognition attendance system.
- According to time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week. All workers had one shift: 08:30~12:00, 13:00~17:30 in the factory, overtime was arranged on 18:00-20:00.
- Based on attendance records review, the workers' max daily OT was 2 hours and the max monthly OT was 76 hours and the max weekly working hour was 56 hours.
- Through employees' interview, overtime is voluntary.

Evidence examined:

- Local law.
- Employee interview.
- Management interview.
- Factory policy on working hours.
- Attendance records from Jun 1, 2022 to the audit day.
- Sample pay slips with recorded hours all workers interviewed.
- Payroll records from Jun 2022 to May 2023.
- Quality and production records to cross check hours.

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	The working time of workers were recorded by fingerprint and face recognition attendance system.
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 0-2 hours per day, 14-16 hours per week, 64 hours per month in Nov 2022 (Random month) 0-2 hours per day, 14-16hours per week, 76 hours per month in Jul 2022 (Random month) 2 hours per day, 14-16 hours per week, 66 hours per month in May 2023 (Current month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on document review, the factory provided the attendance records from Jun 01, 2022 to Audit day, the max weekly working hours were 56 hours, which was in compliance with client's requirement.
Approximate percentage of total workers on highest overtime hours:	80.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Based on workers interview, they made sure their overtime working voluntary and contracts stated that overtime may be requested but it is voluntary.
Overtime premium	

<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details:</p> <p>Based on attendance records from Jun 1, 2022 to the audit day and payrolls from Jun 2022 to May 2023 provided by the factory, the factory paid 150%, 200% and 300% of regular pay for overtime work on regular weekdays, rest days and statutory holiday.</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>100% of workers were paid for overtime wages with normal wages on time and all workers were paid at 26th of following month by cash.</p>
<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>NA</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. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<p><input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)</p>
<p>Please give details</p>	<p>NA</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>All sampled workers' weekly working hours did not exceed 60 hours and overtime was voluntary.</p>
<p>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 <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	98c1ac1d-637d-4451-80fc-a5a3b875a4fd	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Workers' OT working hours exceeded the legal requirement. Based on the attendance records from Jun. 1, 2022 to the audit day by the factory, 10 sampled workers' monthly overtime working hours were taken from May. 2023 (Current month), Jul. 2022 (Random month) and Nov. 2022 (Random month) 1)It was noted that the max monthly overtime of 10 out of 10 employees (from Metal processing, Cutting, Sewing, Pressing, Assembling, Inspection and Packing) in May. 2023 was 66 hours, which exceeded the legal requirement (36 hours). 2)The max monthly overtime of 10 out of 10 employees (from Metal processing, Cutting, Sewing, Pressing, Assembling, Inspection and Packing) in Jul. 2022 was 76 hours, which exceeded the legal requirement (36 hours). 3)The max monthly overtime of 10 out of 10 employees (from Metal processing, Cutting, Sewing, Pressing, Assembling, Inspection and Packing) in Nov. 2022 was 64 hours, which exceeded the legal	

	<p>requirement (36 hours). 员工的加班时间超过法律法规要求。工厂提供了员工2022年6月1日至审核当天的考勤记录。审核员在2023年5月（当前月），2022年7月（随机月），以及2022年11月（随机月）随机抽取10名工人作为样本，发现：1）2023年5月抽取的其中10名工人（五金加工、裁剪、车缝、整烫、组装、检验和包装）的月加班时间均超过36小时，最大达66小时；2）2022年7月抽取的其中10名工人（五金加工、裁剪、车缝、整烫、组装、检验和包装）的月加班时间均超过36小时，最大达76小时；3）2022年11月抽取的其中10名工人（五金加工、裁剪、车缝、整烫、组装、检验和包装）的月加班时间均超过36小时，最大达64小时。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>Factory should ensure that employees' overtime hours comply with the legal requirement 工厂应保证员工加班时间符合法规要求</p>	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. There was no evidence of sexual harassment.
4. The management generally knew the requirement of Non-Discrimination.

Evidence examined:

Details:

1. Employment procedure and recruitment procedure, the factory had established Employment procedure and recruitment procedure.
2. Social responsibility manual
3. Labor contract

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 55.0%	Female: 45.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2 sample making workers were female.	
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"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	NA. No evidence of discrimination found.	
Professional Development		
What type of training and development are available for workers?	All workers were given H&S training.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established employment procedure.
2. All employees signed commitment by themselves, which informing the factory rules they should obey.
3. All employees were recruited by the factory directly. No labour agency was used to hire workers. No apprenticeship schemes or home worker was identified by the auditors.

Evidence examined:

Details:

1. Employment procedure: the factory had established employment procedure.
2. Labor contract: Items of employment conditions were listed in the contracts, they were in compliance with legal requirements.
3. Training records.
4. Social responsibility policy and procedure.

Any other comments:

Nil

Responsible Recruitment

All Workers

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

Migrant Workers

Type of work undertaken by migrant workers:	There were no migrants from different countries. Workers were migrant from Henan, Sichuan and Anhui Province. The domestic migrant workers participated in all type of works.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.
Is there any observation on this finding?	NA.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All domestic migrant workers were in skilled roles.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	NA. The audit factory had no agency workers.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. The audit factory had no agency workers.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. The audit factory had no agency workers.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. There was no contractor in the audit factory.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. There was no contractor in the audit factory.

8A - Sub-Contracting and Homeworking
[Summary of Findings]

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

1.A site tour showed that all production processes were present in the factory.
2.Cross check showed that no subcontractor or home working present in the factory.
3.The factory had established social accountability manual including sub-contracting control procedure.

Evidence examined:

Details:

- Site tour
- Materials in/out records
- Interview with management and workers
- Social accountability manual

Any other comments:

Nil

Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? Yes No

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

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

Current Systems:

1. No negative evidence of mental / physical coercion was identified during the audit.
2. There was no evidence of sexual harassment.
3. The workers interviewed said they never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.

Evidence examined:

Details:

1. Social responsibility manual: the factory had established social responsibility manual, including forbidden mental / physical coercion procedure.
2. Factory rules.
3. Security guard regulation. The duties of security guards were to protect safety of factory's property, to regularized entrance/exit of goods/ vehicles/ employees/ visitors.

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was legal department in audited factory for workers to report such issues, also workers could raise grievances to local media, etc.
If yes, are workers aware of these channels and have access? Please give details.	It was confirmed by workers interview.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, hotline, etc.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Workers could raise grievances to worker representatives, supervisors, team leaders, or managers directly.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

- 10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.
- 10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current Systems:

- 1. Confirmed by document review, management interview and worker interview, no employment agency was used by the factory.
- 2. The factory recruited the new workers by the advertisements, internet, or the employees' recommendation.

Evidence examined:

Details:

- 1. Personnel file
- 2. Labor contracts
- 3. Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures.

Any other comments:

Nil

10B4 - Environment 4–Pillar
[Summary of Findings]

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
 - 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
 - 10.B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements
 - 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
 - 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
 - 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).
 - 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
 - 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
 - 10.B4.9 Businesses should have a nominated individual responsible for co–ordinating the site’s efforts to improve environmental performance.
- 10B4: Guidance for Observations**
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
 - 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on onsite observation and document review, the factory met its legal obligations on environmental requirements. According to the requirements of the latest environmental protection law issued in 2021, the audited factory does not need to conduct an environmental impact assessment of its construction project.
- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- 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.
- The factory had procedure on environment protection and Wang Xiaojiao/ HR was appointed as response for environment performance.

Evidence examined:

Details:

- Environmental policy and procedure
- All legally required environmental documents were provided for review
- Worker and management interview
- Site tour
- Energy and resource consumption (water and electrical) status review
- Related environmental regulations

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Ms.Wang Xiaojiao/ HR
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 Please give details: The factory conducted a risk assessment on the environmental impact regularly.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on document review, the factory obtained the ISO14001:2015 certificate, and the Certificate NO: 26222EZ0036R0M, valid from Mar 1, 2022 to Feb 28, 2025
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Please give details: The factory conducted the meeting on the environmental impact regularly.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have sustainability system.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on onsite observation and document review, the factory met its legal obligations on environmental requirements. According to the requirements of the latest environmental protection law issued in 2021, the audited factory does not need to conduct an environmental impact assessment of its construction project.
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"/> Not Applicable Please give details: The factory had formalised a documentation process for hazardous chemicals used, records were showed.
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 Please give details: The factory had internal management system.

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 Please give details: The factory conducted a system about reduction targets and water and energy usage, and wastes were monitored with reduction targets to reduce costs.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: the factory had provided waste recycling records, and monitored the volume of waste recycling.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided elections usage monitoring records for review.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted a system to monitoring business partners about environmental performance of the facility.

Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	407190	195725
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Tap Water	Tap Water
Water Volume Used	5289	1980
Water Discharged	Sewer	Sewer
Water Volume Discharged	4300	1170
Water Volume Recycled	0	0
Total waste produced	76t	35t
Total hazardous waste produced	0	0
Waste to recycling	28t	13t
Waste to landfill	0	0
Waste to other	48t	22t
Total Product Produced	1000000pcs	450000pcs

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements
 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
 10C: Guidance for Observations
 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

The company established program of business ethics.
 The company conducted training to workers regularly.

Evidence examined:

Details:
 Social accountability policy
 Ethics training records

Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers Please give details: The factory written the Business Ethics Policy on workers manual.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided training when new employees hired.

<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: HR department examined each year and adjusted if needed.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No discussion on this topic with 3rd parties.</p>



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

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

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

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