




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



| Audit Details   |  |   |  |
|---|--|---|--|
| Sedex Company Reference:<br><i>(only available on Sedex System)</i> | ZC: 1002877  | Sedex Site Reference:<br><i>(only available on Sedex System)</i>                | ZS: 1055856  |
| Business name (Company name):                                       | Fujian Henglong Plastic Industrial Co.,Ltd                               |   |  |
| Site name:  | Fujian Henglong Plastic Industrial Co.,Ltd                               |   |  |
| Site address:<br><i>(Please include full address)</i>               | no.9 Longkun road ,Longchi Development Zone, Longhai City, Fujian, China | Country:  | China  |
| Site contact and job title:   | Mr. Yuping LIN, quality manager  |   |  |
| Site phone:   | 86-596-6797682   | Site e-mail:  | Jet.lin@honokage.com                                     |
| SMETA Audit Pillars:  | <input checked="" type="checkbox"/> Labour Standards                     | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input checked="" type="checkbox"/> Environment 4-pillar |
| Date of Audit:  | 8 <sup>th</sup> -10 <sup>th</sup> July 2021                              |   |  |

|   |   |
|---|---|
| <b>Audit Company Name &amp; Logo:</b><br><br><b>Bureau Veritas</b> | <b>Report Owner (payer):</b><br><b>Fujian Henglong Plastic Industrial Co.,Ltd</b> |
|---|---|

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

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

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor: Ms. Wenjiao ZHU (APSCA number: 21702877)

Lead auditor APSCA status: In good standing

Team auditor: Nil

Interviewers: Ms. Wenjiao ZHU (APSCA number: 21702877)

Report writer: Ms. Wenjiao ZHU (APSCA number: 21702877)

Report reviewer: Sapana VICHARE

Date of declaration: 21<sup>st</sup> July 2021

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

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

## Summary of Findings

| Issue<br><i>(please click on the issue title to go direct to the appropriate audit results by clause)</i><br><b>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</b> | Area of Non-Conformity<br><i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i> |                                     |                          |                          | Record the number of issues by line*: |     |    | Findings<br><i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>  |
|---|--|-------------------------------------|--------------------------|--------------------------|---------------------------------------|-----|----|--|
|   | ETI Base Code  | Local Law                           | Additional Elements      | Customer Code            | NC                                    | Obs | GE |  |
| 0A <a href="#">Universal Rights covering UNGP</a>   |  |                                     | <input type="checkbox"/> | <input type="checkbox"/> |                                       |     |    | <ul style="list-style-type: none"> <li>Nil</li> </ul>  |
| 0B <a href="#">Management systems and code implementation</a>   |  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |                                       |     |    | <ul style="list-style-type: none"> <li>Nil</li> </ul>  |
| 1. <a href="#">Freely chosen Employment</a>   | <input type="checkbox"/>   | <input type="checkbox"/>            |                          | <input type="checkbox"/> |                                       |     |    | <ul style="list-style-type: none"> <li>Nil</li> </ul>  |
| 2 <a href="#">Freedom of Association</a>  | <input type="checkbox"/>   | <input type="checkbox"/>            |                          | <input type="checkbox"/> |                                       |     |    | <ul style="list-style-type: none"> <li>Nil</li> </ul>  |
| 3 <a href="#">Safety and Hygienic Conditions</a>  | <input type="checkbox"/>   | <input checked="" type="checkbox"/> |                          | <input type="checkbox"/> | 3                                     |     |    | <p><b>NC:</b></p> <ul style="list-style-type: none"> <li>About 10% workers in moulding and injection area did not wear provided PPE such as gloves and earplugs etc.</li> <li>The inspection report of safety valve on air tank had expired since 24<sup>th</sup> February, 2021.</li> <li>1 out of 4 travelling crane's operator certificate had expired since 27<sup>th</sup> December, 2020.</li> </ul> |

|   |                                  |                          |                                     |  |                          |   |  |  |   |
|---|----------------------------------|--------------------------|-------------------------------------|--|--------------------------|---|--|--|---|
| 4 | <u>Child Labour</u>              | <input type="checkbox"/> | <input type="checkbox"/>            |  | <input type="checkbox"/> |   |  |  | <ul style="list-style-type: none"> <li>Nil</li> </ul>   |
| 5 | <u>Living Wages and Benefits</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input type="checkbox"/> | 1 |  |  | <p><b>NC:</b></p> <ul style="list-style-type: none"> <li>The company purchased basic medical insurance, maternity insurance and basic endowment insurance for 130 out of 332 employees; unemployment insurance for 127 out of 332 employees; employment injury insurance for all 322 employees.</li> </ul>  |
| 6 | <u>Working Hours</u>             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input type="checkbox"/> | 1 |  |  | <p><b>NC:</b></p> <ul style="list-style-type: none"> <li>The overtime hour was over 36h/m for sampled workers in sampled months - May 2021, January 2021 and October 2020. 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 54-72 hours/month in May 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 64-80 hours in January 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 52-68 hours in October 2020.</li> </ul> |
| 7 | <u>Discrimination</u>            | <input type="checkbox"/> | <input type="checkbox"/>            |  | <input type="checkbox"/> |   |  |  | <ul style="list-style-type: none"> <li>Nil</li> </ul>   |

|      |  |                          |                          |                          |                          |  |  |  |       |
|------|--|--------------------------|--------------------------|--------------------------|--------------------------|--|--|--|-------|
|      |  |                          |                          |                          |                          |  |  |  |       |
| 8    | <u>Regular Employment</u>              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |
| 8A   | <u>Sub-Contracting and Homeworking</u> |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |
| 9    | <u>Harsh or Inhumane Treatment</u>     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |
| 10A  | <u>Entitlement to Work</u>             |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |
| 10B2 | <u>Environment 2-Pillar</u>            |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • NA  |
| 10B4 | <u>Environment 4-Pillar</u>            |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |
| 10C  | <u>Business Ethics</u>                 |                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |  |  | • Nil |

General observations and summary of the site:

The company was a private owned enterprise, established in 2003.  
 The production type including: injection moulded plastic products.  
 The production processes included: moulding, injection, assembly, inspection and packing.  
 Total 5 NCs were raised in the audit. 3 NCs raised for H&S issue, 1NC raised for Living Wages and Benefits issue and 1 NC raised for Working Hours issue.  
 The company management paid adequate attention to the related issues.  
 No child labour or young worker was found during the audit.  
 No forced labour, discrimination & harsh or inhumane treatment was found during the audit.  
 No deposits or original documents/papers were required to lodge for all employees.  
 Complaints control procedure was established.  
 Suggestion box was available for employees to complain or feedback their suggestion or dissatisfaction.



Employees could also communicate with their supervisors directly or through worker representatives.  
Labour contract was signed with all employees in time.  
All workers' wages were calculated and paid properly.  
Most employees were satisfied with the company.  
Free accommodation and low cost food was provided.  
The company had provided a private space for auditor to conduct workers interview.  
Full access was granted to whole audit process, the management showed their positive attitude and cooperation to the audit.

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



## Site Details

| Site Details  |  |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
|---|--|--|------------------------|-------------|----------------|-----------------------------|---|----------------------|-----------------------------|---|----------------------|----------------------|------------------------------------|--------------------|----------------------------|------------------|-----------------------|-----------------------------|--|-----------------------|----------------------------|----|--|
| A: Company Name:  | Fujian Henglong Plastic Industrial Co.,Ltd   |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| B: Site name:   | Fujian Henglong Plastic Industrial Co.,Ltd   |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| C: GPS location:<br>(If available)  | GPS Address: no.9 Longkun road ,Longchi Development Zone, Longhai City, Fujian, China  | Latitude: 24°28'<br>Longitude: 117°56' |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | <p>Business license no.: 913506817463780184, valid from 7<sup>th</sup> March, 2003 to 6<sup>th</sup> March, 2053.</p> <p>National Industry Product Production Permit no.: XK16-204-00494, valid from 17<sup>th</sup> July, 2019 to 16<sup>th</sup> July, 2024.</p> <p>Printing Operation Permit no.: (2020)356500359, valid from January 2020 to March 2023.</p>   |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc   | Manufacture of injection moulded plastic products  |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| F: Site description:<br>(Include size, location, and age of site. Also, include structure and number of buildings)  | <p>The company was established in 2003, located at no.9 Longkun road ,Longchi Development Zone, Longhai City, Fujian, China, monthly production capacity 150 tons. The company occupied one 5-storey production building, two 3-storey production buildings, one 3-storey office building, one 5-storey dormitory building and one 5-storey warehouse. Kitchen and canteen were located at 1F of the dormitory building. The land size was about 25,585 m<sup>2</sup>. The main products were injection moulded plastic products.</p> <p>For below, please add any extra rows if appropriate.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Production #4 with 3 floors</td> <td>1F: moulding area, dust-free area;<br/>2F-3F: warehouse;</td> <td>8,945 m<sup>2</sup></td> </tr> <tr> <td>Production #3 with 3 floors</td> <td>1F: injection area;<br/>2F: assembly area;<br/>3F: warehouse;</td> <td>8,945 m<sup>2</sup></td> </tr> <tr> <td>Office with 3 floors</td> <td>1F-2F: office;<br/>3F: meeting room</td> <td>900 m<sup>2</sup></td> </tr> <tr> <td>Warehouse #1 with 5 floors</td> <td>1F-5F: warehouse</td> <td>14,110 m<sup>2</sup></td> </tr> <tr> <td>Production #2 with 5 floors</td> <td>1F: dust free area, warehouse;<br/>2F-5F: warehouse</td> <td>13,709 m<sup>2</sup></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table> |  | Production Building no | Description | Remark, if any | Production #4 with 3 floors | 1F: moulding area, dust-free area;<br>2F-3F: warehouse; | 8,945 m <sup>2</sup> | Production #3 with 3 floors | 1F: injection area;<br>2F: assembly area;<br>3F: warehouse; | 8,945 m <sup>2</sup> | Office with 3 floors | 1F-2F: office;<br>3F: meeting room | 900 m <sup>2</sup> | Warehouse #1 with 5 floors | 1F-5F: warehouse | 14,110 m <sup>2</sup> | Production #2 with 5 floors | 1F: dust free area, warehouse;<br>2F-5F: warehouse | 13,709 m <sup>2</sup> | Is this a shared building? | No |  |
| Production Building no  | Description  | Remark, if any                         |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Production #4 with 3 floors   | 1F: moulding area, dust-free area;<br>2F-3F: warehouse;  | 8,945 m <sup>2</sup>                   |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Production #3 with 3 floors   | 1F: injection area;<br>2F: assembly area;<br>3F: warehouse;  | 8,945 m <sup>2</sup>                   |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Office with 3 floors  | 1F-2F: office;<br>3F: meeting room   | 900 m <sup>2</sup>                     |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Warehouse #1 with 5 floors  | 1F-5F: warehouse   | 14,110 m <sup>2</sup>                  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Production #2 with 5 floors   | 1F: dust free area, warehouse;<br>2F-5F: warehouse   | 13,709 m <sup>2</sup>                  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |
| Is this a shared building?  | No   |  |                        |             |                |                             |   |                      |                             |   |                      |                      |                                    |                    |                            |                  |                       |                             |  |                       |                            |    |  |

|  | Production Building no   | Description  | Remark, if any |
|--|--|--|----------------|
|  | Dormitory with 5 floors  | 1F: kitchen and canteen, shops near street<br>2F-5F: dormitory | 4,010 m2       |
|  | Is this a shared building?   | Yes  |                |
|  | <p>Remark:<br/>Part 1F of the dormitory building was rented out as shops near street; through site tour, personnel could not enter the company through shops.</p> <p>F1: Visible structural integrity issues (large cracks) observed?<br/> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           F2: Please give details: NA</p> <p>F3: Does the site have a structural engineer evaluation?<br/> <input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>           F4: Please give details: Construction project completion and acceptance certificates issued on 20<sup>th</sup> September, 2007, 26<sup>th</sup> December 2007, 27<sup>th</sup> August 2010, 29<sup>th</sup> November, 2007, 27<sup>th</sup> November, 2007, 2<sup>nd</sup> August, 2019 and 5<sup>th</sup> September, 2020 were provided for review.</p> |  |                |
| G: Site function:  | <input type="checkbox"/> Agent<br><input checked="" type="checkbox"/> Factory Processing/Manufacturer<br><input type="checkbox"/> Finished Product Supplier<br><input type="checkbox"/> Grower<br><input type="checkbox"/> Homeworker<br><input type="checkbox"/> Labour Provider<br><input type="checkbox"/> Pack House<br><input type="checkbox"/> Primary Producer<br><input type="checkbox"/> Service Provider<br><input type="checkbox"/> Sub-Contractor  |  |                |
| H: Month(s) of peak season: (if applicable)  | Not obvious  |  |                |
| I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used) | Moulding, injection, assembly, inspection and packing. Total 5 assembly lines, main equipment used including: 52 injection machines, 8 driers, 4 CNC machines, 2 mills, 11 crushing machines etc.  |  |                |
| J: What form of worker representation / union is there on site?  | <input type="checkbox"/> Union (name)<br><input checked="" type="checkbox"/> Worker Committee<br><input type="checkbox"/> Other (specify)<br><input type="checkbox"/> None   |  |                |
| K: Is there any night production work at the site?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |                |

|  |  |
|--|--|
| <p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     L1: If yes, approx. % of workers in on site accommodation 50%</p> |
| <p>M: Are there any off site provided worker accommodation buildings</p>                 | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     M1: If yes, approx. % of workers</p>                              |
| <p>N: Were all site-provided accommodation buildings included in this audit</p>          | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     N1: If no, please give details</p>                                |

| Audit Parameters   |   |   |   |
|--|---|---|---|
| A: Time in and time out  | A1: Day 1 Time in: 09:00<br>A2: Day 1 Time out: 17:30   | A3: Day 2 Time in: 09:00<br>A4: Day 2 Time out: 17:30 | A5: Day 3 Time in: 08:00<br>A6: Day 3 Time out: 12:00 |
| B: Number of auditor days used:  | 1 auditor * 2.5 days = 2.5 man days on site and 0.5 man day off site  |   |   |
| C: Audit type:   | <input type="checkbox"/> Full Initial<br><input checked="" type="checkbox"/> Periodic<br><input type="checkbox"/> Full Follow-up<br><input type="checkbox"/> Partial Follow-Up<br><input type="checkbox"/> Partial Other<br><br>If other, please define |   |   |
| D: Was the audit announced?  | <input type="checkbox"/> Announced<br><input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks<br><input type="checkbox"/> Unannounced  |   |   |
| E: Was the Sedex SAQ available for review?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: If No, why not?   |   |   |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?                   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>If <b>Yes</b> , please capture detail in appropriate audit by clause  |   |   |
| G: Who signed and agreed CAPR (Name and job title)                                     | Mr. Yuping LIN, quality manager   |   |   |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |   |   |
| I: Previous audit date:  | 22 <sup>nd</sup> to 24 <sup>th</sup> July, 2020   |   |   |
| J: Previous audit type:  | Periodic  |   |   |
| K: Were any previous audits reviewed for this audit                                    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br><input type="checkbox"/> N/A   |   |   |

| Audit attendance | Management        | Worker Representatives           |                       |
|------------------|-------------------|----------------------------------|-----------------------|
|                  | Senior management | Worker Committee representatives | Union representatives |

|  |   |   |   |
|--|---|---|---|
| A: Present at the opening meeting?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Present at the audit?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Present at the closing meeting?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: If Worker Representatives were not present please explain reasons why<br><i>(only complete if no worker reps present)</i> | NA  |   |   |
| E: If Union Representatives were not present please explain reasons why:<br><i>(only complete if no union reps present)</i>  | There was no trade union in the company.                            |   |   |

## 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                  | 167       | 0         | 0      | 0         | 0         | 0      | 0            | 167   |
| Worker numbers – female                | 165       | 0         | 0      | 0         | 0         | 0      | 0            | 165   |
| Total                                  | 332       | 0         | 0      | 0         | 0         | 0      | 0            | 332   |
| Number of Workers interviewed – male   | 13        | 0         | 0      | 0         | 0         | 0      | 0            | 13    |
| Number of Workers interviewed – female | 13        | 0         | 0      | 0         | 0         | 0      | 0            | 13    |
| Total – interviewed sample size        | 26        | 0         | 0      | 0         | 0         | 0      | 0            | 26    |

|  |  |   |
|--|--|---|
| A: Nationality of Management   | China  |   |
| <p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p> | <p>Nationalities:</p> <p>B1: Nationality 1: __China__</p>  | <p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No NA, no obvious peak season</p> <p>If no, please describe how this may vary during peak periods: NA</p> |
| C: Please provide more information for the three most common nationalities.  | C: approx % total workforce: Nationality 1 __100%__  |   |
| D: Worker remuneration<br>(management information)   | <p>D: _____% workers on piece rate</p> <p>D1: __100__% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: __100__% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p> |   |



| Worker Interview Summary   |   |
|--|---|
| A: Were workers aware of the audit?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| B: Were workers aware of the code?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| C: Number of group interviews:<br><i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>  | 4 groups of 20 interviewees, 5 interviewees per group   |
| D: Number of individual interviews<br><i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>  | D1: Male: 3<br>D2: Female: 3  |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.<br><i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>If no, please give details NA                       |
| F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| G: In general, what was the attitude of the workers towards their workplace?   | <input checked="" type="checkbox"/> Favourable<br><input type="checkbox"/> Non-favourable<br><input type="checkbox"/> Indifferent |
| H: What was the most common worker complaint?  | Most of workers were satisfied for the condition in the company, free accommodation was provided.                                 |
| I: What did the workers like the most about working at this site?  | Workers were satisfied with work environment, and wages were paid on time.  |
| J: Any additional comment(s) regarding interviews:   | Workers stated that they were satisfied to working hour arrangement.  |
| K: Attitude of workers to hours worked:  | The interviewed workers stated that they can accept the overtime hour arrangement in the company.                                 |
| L. Is there any worker survey information available?   |   |
| <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>L1: If yes, please give details: NA  |   |

**M: Attitude of workers:**

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

All 26 workers plus 2 management employees were interviewed.  
 Workers stated that they were satisfied with the work environment and wages.  
 The overtime arrangement was acceptable.

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

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

No trade union was in the company.  
 Three worker representatives from different areas were freely elected.  
 Two worker representatives were interviewed, who stated the workers seldom have comments.

**O: Attitude of managers:**

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

Full access was granted to documentation review, factory tour and employee interview.  
 Locked areas encountered during the audit were unlocked timely.  
 All documentations were requested in a timely manner.  
 At the end of the audit, all NC raised were accepted by the management.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

#### Current Systems and Evidence Examined

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

#### Current systems:

The human right policy was established and endorsed by the senior manager;

Mr. Laiguo WU, vice general manager was appointed as the management representative;

The company had identified their stakeholders and salient issued and measured their impacts on stakeholders;

The company would take effective remediation if any adverse impact on human rights occurred in their stakeholders;

ETI code is communicated to all employees, its own suppliers and interested parties;

SA commitment was signed by their suppliers;

A transparent system was established for confidentially reporting, and ensure the reporter without fear of reprisals.

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

SA policy;

SA manual and procedures;

Company regulation;

Management representative appointment letter;

Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?

Yes

No

|   |  |
|---|--|
|   | A1: Please give details:<br>The SA policy was established, which respect the human rights.   |
| B: Does the business have a designated person responsible for implementing standards concerning Human Rights?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Please give details:<br>Name: Mr. Laiguo WU<br>Job title: vice general manager   |
| C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?                                   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>C1: Please give details:<br>The confidential channel in employee grievance procedure was established.<br>Suggestion box, management and worker representatives were available at the workshop. |
| D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement) | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: If no, please give details NA  |
| E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please give details:<br>Privacy protection procedure was established.<br>Confidential information was kept well, the workers files are locked.   |

| Findings: Nothing to report   |                                     |
|---|-------------------------------------|
| <b>Finding: Observation</b> <input type="checkbox"/> <b>Company NC</b> <input type="checkbox"/><br><b>Description of observation:</b><br><br><b>Local law or ETI/Additional elements / customer specific requirement:</b><br><br><b>Comments:</b> | <b>Objective evidence observed:</b> |

| Good examples observed: Nothing to report |                                     |
|---|-------------------------------------|
| <b>Description of Good Example (GE):</b>  | <b>Objective Evidence Observed:</b> |

## Measuring Workplace Impact

| Workplace Impact   |  |   |
|--|--|---|
| A: Annual worker turnover:<br>Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)   | A1: Last year: 2020 (Jun-Dec)<br>__26__ %  | A2: This year: 2021 (Jan-Jun)<br>__14__ % |
| B: Current % quarterly (90 days) turnover:<br>Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2] | 6%   |   |
| C: Annual % absenteeism:<br>Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2]<br>* number available workdays in the year   | C1: Last year: 2020 (Jun-Dec)<br>__0__ %   | C2: This year: 2021 (Jan-Jun)<br>__0__ %  |
| D: Quarterly (90 days) % absenteeism:<br>Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2]<br>* Number of available workdays in the month                                   | 0%   |   |
| E: Are accidents recorded?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please describe: Recent 2 years' injury records were provided for review; no injury case of lost day occurred. |   |
| F: Annual Number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]  | F1: Last year: 2020<br>Number: 0   | F2: This year: 2021<br>Number: 0          |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]   | 0  |   |
| H: Lost day work cases per 100 workers:<br>[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]   | H1: Last year: 2020<br>0   | H2: This year: 2021<br>0                  |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:   | I1: 6 months<br>__0__% workers   | I2: 12 months<br>__0__% workers           |

|   |                                  |                                   |
|---|----------------------------------|-----------------------------------|
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months<br>___0___% workers | J2: 12 months<br>___0___% workers |
|---|----------------------------------|-----------------------------------|

**0B: Management system and Code Implementation**  
[\(Click here to return to summary of findings\)](#)

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Mr. Laiguo WU, vice general manager was appointed as the management representative;  
 SA manual and procedures were established;  
 SA policy and procedures were pasted in the prominent place in the company;  
 The company had communicate the compliance code to workers and its own suppliers;  
 Effective Business license no.: 913506817463780184, valid from 7<sup>th</sup> March, 2003 to 6<sup>th</sup> March, 2053.  
 National Industry Product Production Permit no.: XK16-204-00494, valid from 17<sup>th</sup> July, 2019 to 16<sup>th</sup> July, 2024.  
 Printing Operation Permit no.: (2020)356500359, valid from January 2020 to March 2023.  
 The company obtained the land right from local government, the real estate certificate was provided for review, certificate no.: (2009)GC0035, valid from 9<sup>th</sup> June, 2009 to 18<sup>th</sup> January, 2056.  
 The company implemented ISO9001:2015, ISO14001:2015 and BRC management systems.

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

Management representative appointment record;  
 SA policy;  
 SA manual and procedures;  
 Real estate certificates;  
 SA commitment signed by main suppliers and investigation from suppliers.  
 Training records for the employees: new employee training; H&S training for existing employees.  
 ISO9001:2015, ISO14001:2015 and BRC certificates;

Any other comments: Nil

**Management Systems:**

|  |  |
|--|--|
| A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |
|--|--|

|   |   |
|---|---|
|   | A1: Please give details: No any fine for non-compliance to regulation.  |
| B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: Please give details:<br>The procedures were established in the company.   |
| C: If Yes, is there evidence (an indication) of effective implementation? Please give details.  | ETI code was posted around the company. ETI management system was implementing in the company.  |
| D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: Please give details:<br>The training was performed on SA requirement including forced labour, child labour, discrimination, harassment & abuse etc.   |
| E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please give details: The last training was conducted on 1 <sup>st</sup> June, 2021.   |
| F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date). | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>F1: Please give details: The company obtained ISO9001, ISO14001 and BRC certificates by SGS; ISO9001:2015: certificate no.: CN07/01605, valid till 27 <sup>th</sup> September, 2022; ISO14001:2015: certificate no.: CN14/30703, valid till 11 <sup>th</sup> June, 2023; BRC certificate no.: CN15/20723, valid till 24 <sup>th</sup> July, 2021. |
| G: Is there a Human Resources manager/department? If Yes, please detail.  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>G1: Please give details:<br>Ms. Xiaofang ZHENG, HR supervisor is in charge of HR department in this company   |
| H: Is there a senior person / manager responsible for implementation of the code  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>H1: Please give details:<br>Mr. Laiguo WU, vice general manager   |
| I: Is there a policy to ensure all worker information is confidential?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>I1: Please give details:<br>The policy was established.   |



|  |  |
|--|--|
| <p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     J1: Please give details:<br/>                     The policy was established, confidential information was kept well, and the workers files are locked.</p>   |
| <p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     K1: Please give details:<br/>                     Risk assessment was conducted on 15<sup>th</sup> March, 2021.</p>   |
| <p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     L1 Please give details:<br/>                     The company had conducted risk assessment on 15<sup>th</sup> March, 2021, including risk identification and correction action etc.</p>   |
| <p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     M1: Please give details:<br/>                     The Company had communicated the compliance code to their own suppliers.</p>  |
| <p><b>Land rights</b></p>  |  |
| <p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     N1: Please give details:<br/>                     The company obtained the land right from local government, the real estate certificate was provided for review, certificate no.: (2009)GC0035, valid from 9<sup>th</sup> June, 2009 to 18<sup>th</sup> January, 2056.</p> |
| <p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     O1: Please give details: The company had appointed a legal team to conduct the due diligence in relation with land title.</p>   |
| <p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     P1: If yes, how does the company obtain FPIC:<br/>                     The company had established relevant land right procedure.</p>   |
| <p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     Q1: Please give details: The real estate certificates were provided for review.</p>   |

|  |  |
|--|--|
| <p>R. 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<br/> <input checked="" type="checkbox"/> No<br/> R1: Please give details: NA</p>   |
| <p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>                              | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> S1: Please give details: No illegal building or expansion or footprint was found.</p> |

| <p align="center"><b>Non-compliance: Nothing to report</b></p>   |  |
|--|--|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law<br/> <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> |

| <p align="center"><b>Observation: Nothing to report</b></p>   |  |
|---|--|
| <p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b></p> |

| <p align="center"><b>Good Examples observed: Nothing to report</b></p> |  |
|--|--|
| <p>Description of Good Example (GE):</p>                               | <p><b>Objective evidence observed:</b></p> |

**1: Freely Chosen Employment**

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

**ETI**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The company had established forbidden forced labour policy in company regulation and SAP-27. Copies of ID were kept in the personnel files; No deposit was required and the original ID card was not kept by the company. Workers could free to leave after 30 days of notice time or 3 days in probationary period.

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

SA policy;  
SA manual and procedures;  
Company regulation;  
The resignation application forms in 06/2020~07/2021 were reviewed;  
26 workers' files were reviewed.

Any other comments: Nil

|  |   |
|--|---|
| <p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>  | <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/>A1: If yes, please give details and category of workers affected:</p>                                |
| <p>B: Is there any evidence of a loan scheme in operation</p>  | <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/>B1: If yes, please give details and category of worker affected:</p>                                 |
| <p>C: Is there any evidence of retention of wages /deposits</p>  | <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/>C1: If yes, please give details and category of worker affected:</p>                                 |
| <p>D: Are there any restrictions on workers' freedom to terminate employment?</p>  | <p><input type="checkbox"/> Yes<br/><input checked="" type="checkbox"/> No<br/>D1: Please describe finding: Through workers interview, no such restriction on workers' freedom.</p> |
| <p>E: If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement'?</p> | <p><input type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/><input checked="" type="checkbox"/> Not applicable<br/>E1: Please describe finding: NA</p>                      |

|  |   |
|--|---|
| <p>F: 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<br/> <input checked="" type="checkbox"/> No<br/>                 F1: Please describe finding:<br/>                 No restriction was found at the end of the work day.</p>   |
| <p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>            | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> <input type="checkbox"/> Not applicable<br/>                 G1: If yes, please give details and category of workers affected:<br/>                 SA requirements including forced / trafficked / bonded labour policy was communicated to main suppliers.<br/>                 SA commitment was signed by the suppliers, the supplier investigation reports were reviewed.</p> |
| <p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>                    | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 H1: Please describe finding:<br/>                 ETI management system was implemented in the company.<br/>                 Forbidden forced labour policy was established in SA procedure.</p>   |

| <b>Non-compliance: Nothing to report</b>   |  |
|--|--|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement</b></p> <p><b>Recommended corrective action:</b></p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> |

| <b>Observation: Nothing to report</b>   |  |
|---|--|
| <p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b></p> |

| <b>Good Examples observed: Nothing to report</b> |  |
|--|--|
| <p><b>Description of Good Example (GE):</b></p>  | <p><b>Objective evidence observed:</b></p> |

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

No trade union in the company.  
 Three worker representatives from different areas were freely elected.  
 The meeting between worker representative and management was performed for at least once per quarter.  
 Two worker representatives were interviewed, who stated the workers seldom have comments.

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

Details:  
 SA manual and procedures;  
 Worker representative election records on 25<sup>th</sup> March, 2021;  
 Meeting records of worker representative and management, the last one was taken on 13<sup>th</sup> April, 2021;

Any other comments: Nil

|  |   |
|--|---|
| <p>A: What form of worker representation/union is there on site?</p>                           | <p><input type="checkbox"/> Union (name)<br/> <input checked="" type="checkbox"/> Worker Committee<br/> <input type="checkbox"/> Other (specify)<br/> <input type="checkbox"/> None</p> |
| <p>B: Is it a legal requirement to have a union?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p>   |
| <p>C: Is it a legal requirement to have a worker's committee?</p>                              | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p>   |
| <p>D: Is there any other form of effective worker/management communication channel? (Other</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 D1: Please give details:</p>   |

|  |   |   |
|--|---|---|
| <p>than union/worker committee e.g. H&amp;S, sexual harassment)</p>  | <p>Suggestion box, or report to team leader directly.</p> <p>D2: Is there evidence of free elections?<br/> <input type="checkbox"/> Yes<br/> <input type="checkbox"/> No NA</p>   |   |
| <p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 E1: Please give details:<br/>                 Top management would conduct meeting with worker representatives for at least once per quarter.</p>      |   |
| <p>F: Name of union and union representative, if applicable:</p>   | <p>NA</p>   | <p>F1: Is there evidence of free elections?<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> |
| <p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>   | <p>Worker committee</p>   | <p>G1: Is there evidence of free elections?<br/> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> |
| <p>H: Are all workers aware of who their representatives are?</p>  | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>  | <p>All interviewed workers are aware of their representatives (Ms. Jinfeng LI, Ms. Shurong ZHONG and Ms. Bichun PENG).</p>                            |
| <p>I: Were worker representatives freely elected?</p>  | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>  | <p>I1: Date of last election: 25<sup>th</sup> March, 2021.</p>  |
| <p>J: Do workers know what topics can be raised with their representatives?</p>  | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>  |   |
| <p>K: Were worker representatives/union representatives interviewed?</p>   | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br/>                 If <b>Yes</b>, please state how many:<br/>                 Two worker representatives were interviewed, who claimed that workers seldom have complaint.</p> |   |
| <p>L: Please describe any evidence that union/worker's committee is effective?<br/>                 Specify date of last meeting; topics covered; how minutes were communicated etc.</p> | <p>Regular meeting minutes were available. The last meeting was performed on 13<sup>th</sup> April, 2021.</p> <p>The meeting covered hygiene and benefits etc. The meeting minute was posted around the cupboard.</p>                                   |   |
| <p>M: Are any workers covered by Collective Bargaining Agreement (CBA)?</p>  | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>  |   |
| <p>If <b>Yes</b>, what percentage by trade Union/worker representation</p>   | <p>M1: <u>NA</u>% workers covered by Union CBA</p>  | <p>M2: <u>NA</u>% workers covered by worker rep CBA</p>   |
| <p>M3: If <b>Yes</b>, does the Collective Bargaining Agreement (CBA) include rates of pay?</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 NA</p>  |   |

**Non-compliance: Nothing to report**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation: Nothing to report**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

**Good Examples observed: Nothing to report**

Description of Good Example (GE):

**Objective evidence observed:**



### 3: Working Conditions are Safe and Hygienic

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

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

#### ETI

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

#### Current Systems and Evidence Examined

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

#### Current systems:

The H&S policy was established in the company.

A HS committee of total 6 members was established, they would conduct relevant HS inspection & meeting for at least once per quarter, the last one was conducted on 22<sup>nd</sup> April, 2021;

Mr. Laiguo WU, vice general manager, was appointed as H&S representative;

The internal audit was conducted on 11<sup>th</sup> to 12<sup>th</sup> May, 2021. The control methods were determined;

As per risk assessment procedure, risk assessment should be conducted for at least once per year;

The last risk assessment was conducted on 15<sup>th</sup> March, 2021, and the control methods were determined; which included the risk assessment for pregnant and new born mother, young workers and Covid-2019 etc.;

Accident records of recent two years were provided for review;

H&S training plan was established and implemented;

Fire drill was performed twice in recent one year. The last one was conducted on 24<sup>th</sup> May, 2021; fire drill covered all shifts and all employees, including workshop and dormitory area;

Sufficient fire equipment was sufficiently installed and maintained in the company;

The company had inspected and checked electrical wires monthly;

Machine safety are inspected each day, the daily inspection records are posted near the machine.

The ventilation, temperature, light, hygiene in the workshop and dormitory was maintained well;

Clean drinking water was provided in workshop in dormitory;

Some chemicals such as lubricating oil and alcohol were used on site; the chemical management is good, MSDS, label, second container and eye wash station were available on site;

Occupational hazard factors inspection report was issued on 28<sup>th</sup> May, 2021;

Occupational health exam was arranged in February 2021 and March 2021;

All employees in dust free area had obtained health certificates;

4 First aiders were available in the company;

8 elevators, 4 travelling cranes and 1 air tank's inspection reports and relevant operator's certificate were provided for review; The inspection report of safety valve on air tank had expired since 24<sup>th</sup> February, 2021, 1 out of 4 travelling crane's operator certificate had expired since 27<sup>th</sup> December, 2020; please refer to below NC for details;

Fire certificates for all buildings were provided for review;

Construction project completion and acceptance certificates for all buildings were provided for review;

The company had provided PPE such as masks and earplugs to employees for free, however some employees did not wear it properly, please refer to below NC for details;  
 Kitchen had obtained effective catering service license;  
 All 3 kitchen staff had obtained valid health certificates;  
 The hygiene of kitchen and canteen was kept good.

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

Details:

HS policy;

HS committee chart, the meeting was held for at least once per quarter, the last one was conducted on 22<sup>nd</sup> April, 2021;

Risk assessment record on 15<sup>th</sup> March, 2021;

Fire certificates for all buildings issued on 18<sup>th</sup> August, 2010, 19<sup>th</sup> November, 2007, 25<sup>th</sup> December, 2007, 19<sup>th</sup> June, 2019 and 18<sup>th</sup> December, 2020, certificates no.: [2010]49, [2007]62, [2007]79, [2009]0023 and [2020]10;

Construction project completion and acceptance certificates for all buildings issued on 20<sup>th</sup> September, 2007, 26<sup>th</sup> December 2007, 27<sup>th</sup> August 2010, 29<sup>th</sup> November, 2007, 27<sup>th</sup> November, 2007, 2<sup>nd</sup> August, 2019 and 5<sup>th</sup> September, 2020 were provided for review.

Internal monthly fire equipment maintenance records issued in July 2021;

HS policy;

HS committee chart;

Risk assessment records on 15<sup>th</sup> March, 2021;

Fire drill records on 23<sup>rd</sup> January, 2021 and 24<sup>th</sup> May, 2021;

Injury record in recent 2 years;

Drinking water testing report issued on 28<sup>th</sup> May, 2021;

Occupational hazard factors inspection report on 28<sup>th</sup> May, 2021;

Occupational health exam report on 8<sup>th</sup> February, 2021 and 4<sup>th</sup> March, 2021;

121 health certificates for employees in dust free areas (valid till 23<sup>rd</sup> June, 2022, 31<sup>st</sup> March, 2022 etc.);

4 effective first aiders certificate (valid till 30<sup>th</sup> November, 2021)

H&S training plan in 2020 and 2021;

H&S training record on 24<sup>th</sup> May, 2021;

Elevators, travelling cranes and air tank's register certificates and inspection reports (elevator valid till 31<sup>st</sup>

October, 2021, travelling crane valid till 30<sup>th</sup> June, 2022, air tank valid till 30<sup>th</sup> June, 2024, pressure gauge valid till 27<sup>th</sup> October, 2021, safety valve expired since 24<sup>th</sup> February, 2021);

Operator's certificates (elevator's operator valid till 19<sup>th</sup> November, 2022, air tank's operator valid till 29<sup>th</sup> August, 2022, travelling crane operator's expired since 27<sup>th</sup> December, 2020);

Catering Service License no.: JY33506060017212, valid date from 20/12/2018 to 19/12/2023;

Kitchen staff health certificates (valid till 18<sup>th</sup> May, 2022);

Any other comments: Nil

|   |   |
|---|---|
| <p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 A1: Please give details:<br/>                 The company had established H&amp;S policy and communicated with workers. The H&amp;S condition was maintained well.</p> |
| <p>B: Are the policies included in workers' manuals?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 B1: Please give details: The policy was included in the company's regulation.</p>  |

|  |  |
|--|--|
| C: Are there any structural additions without required permits/inspections (e.g. floors added)?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>C1: Please give details: No any structural additions without required permits/inspections.   |
| D: Are visitors to the site informed on H&S and provided with personal protective equipment  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: Please give details: Visitors to the site were informed on H&S.  |
| E: Is a medical room or medical facility provided for workers?<br><br>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.       | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: Please give details: No medical room in the company. This is not required by local law.  |
| F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>F1: Please give details:<br>There was no doctor or nurse on site; however there were 4 trained first aiders on site; and the first aiders contact method was posted on site. |
| G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?                                     | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>G1: Please give details:<br>No transportation was provided.  |
| H: Is secure personal storage space provided for workers in their living space and is fit for purpose?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>H1: Please give details:<br>Cupboard was provided in each dormitory room.  |
| I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>I1: Please give details: Risk assessment was conducted and the control methods were determined.  |
| J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>J1: Please give details:<br>The company had registered Fixed Pollution Sources in Pollutant Discharge Registered Database.   |
| K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>K1: Please give details: no banned chemicals were used.  |

|  |                                     |
|--|-------------------------------------|
| <b>Non-compliance:</b>   |                                     |
| <b>1. Description of non-compliance:</b><br><input type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer<br>code: | <b>Objective evidence observed:</b> |

About 10% workers in moulding and injection area did not wear provided PPE such as gloves and earplugs etc.

**Local law and/or ETI requirement**

In accordance with <Labor Law of the People's Republic of China>, Article 54 The employing unit must provide laborers with safe and healthy working environment conforming to the provisions of the State and necessary articles of labor protection, and provide regular health examination for laborers engaged in work with occupational hazards.

**Recommended corrective action:**

It is recommended to the company to train and supervise employees to wear provided PPE properly.

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

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

The inspection report of safety valve on air tank had expired since 24<sup>th</sup> February, 2021.

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

In accordance with <Special Equipment Safety Law of the People's Republ of China>, Article 40 A unit using special equipment shall, as required by the safety technical codes for the periodic inspection, make a request for the periodic inspection to a special equipment inspection and testing institution one month before the period of validity of the last safety inspection expires. Upon receipt of request for the periodic inspection, an inspection and testing institutions shall, in a timely manner, conduct the safety performance inspection and the energy efficiency testing as required by the safety technical codes. The unit using special equipment shall post the periodical inspection label at the conspicuous position.

Special equipment that has not been inspected periodically or fails to pass such inspection shall be suspended from service.

**Recommended corrective action:**

It is recommended to the company to arrange annual inspection for safety valve as soon as possible.

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

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

1 out of 4 travelling crane's operator certificate had expired since 27<sup>th</sup> December, 2020.

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

In accordance with <Labor Law of the People's Republic of China>, Article 55 Laborers to be engaged in specialized operations must receive specialized training and acquire qualifications for such special operations.

**Recommended corrective action:**

It is recommended to the company to arrange training for relevant operator as soon as possible.

*(where relevant please add photo numbers)*

1. Site tour  
Workers interview

2. Document review  
Workers interview

3. Document review  
Workers interview

| Observation: Nothing to report  |                                     |
|---|-------------------------------------|
| <b>Description of observation:</b><br><br><b>Local law or ETI requirement:</b><br><br><b>Recommended corrective action:</b> | <b>Objective evidence observed:</b> |

| Good Examples observed: Nothing to report |                                     |
|---|-------------------------------------|
| <b>Description of Good Example (GE):</b>  | <b>Objective Evidence Observed:</b> |

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

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

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Forbidden child labour policy and young worker protection policy were established;  
 Employees are required to be no less than 16 years old;  
 ID card will be checked in the recruitment process;  
 All workers' files were checked.  
 The copies of ID card were kept in the personal files;  
 The youngest employee was born on 16<sup>th</sup> November, 2003, joined the company on 19<sup>th</sup> June, 2021.  
 No child labour or young worker was found in the company.

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

SA policy;  
 SA manual and procedures;  
 Company regulation;  
 Personal files;  
 Newest name list;

Any other comments: Nil

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

**Non-compliance: Nothing to report**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**  
*(where relevant please add photo numbers)*

**Observation: Nothing to report**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

**Good Examples observed: Nothing to report**

Description of Good Example (GE):

**Objective Evidence Observed:**

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Wage payment policy was established;  
 The lowest basic wage was above RMB1600 Yuan/month in the company.  
 It was above the legal requirement by local government.  
 Peak season was not obvious.  
 All 26 workers' wage payment records in May 2021, January 2021 and October 2020 were reviewed;  
 Sick leave, marriage leave, maternity leave and annual leave were provided to employees;  
 Social insurance was not provided for all employees, please refer to below NC for details;  
 Discipline action record was checked.  
 No wage deduction was used for the discipline action;  
 Wages were paid on or before the 16<sup>th</sup> day of each month;  
 The wages were paid by bank;  
 Payslips were provided to employees.

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

Wage policy in the SA procedures;  
 The wage payment records in May 2021, January 2021 and October 2020 for all 26 sampled workers.  
 The social insurance invoices;  
 Sick leave, marriage leave, maturity leave, annual leave;  
 Discipline action record this year;

Any other comments: Nil

**Non-compliance:**

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

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

The company purchased basic medical insurance, maternity insurance and basic endowment insurance for 130 out of 332 employees; unemployment

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 Social insurance receipt  
 Management interview



|   |                           |
|---|---------------------------|
| <p>insurance for 127 out of 332 employees; employment injury insurance for all 322 employees.</p> <p><b>Local law and/or ETI requirement:</b><br/>         Social Insurance Law of the People's Republic of China, (Article 10) Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. (Article 23) Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. (Article 33) Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. (Article 44) Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. (Article 53) Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p> <p><b>Recommended corrective action:</b><br/>         It is recommended to the company to ensure all employees participate in social insurance according to the Law.</p> | <p>Employee interview</p> |
|---|---------------------------|

| Observation: Nothing to report  |  |
|---|--|
| <p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b></p> |

| Good Examples observed: Nothing to report |  |
|---|--|
| <p>Description of Good Example (GE):</p>  | <p><b>Objective Evidence Observed:</b></p> |

**Summary Information**

| Criteria   | Local Law<br><i>(Please state legal requirement)</i> | Actual at the Site<br><i>(Record site results against the law)</i> | Is this part of a Collective Bargaining Agreement?                            |
|--|--|--|---|
| A: Standard/Contracted work hours:<br><i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i> | Legal maximum:<br>40 hours/week                      | A1: 40 hours/week  | A2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |
| B: Overtime hours:   | Legal maximum:                                       | B1:  | B2:   |

|  |   |  |   |
|--|---|--|---|
| (Maximum legal and actual overtime hours, please state if possible per day, week, and month)   | 36 hours/month  | 54-72 hours in 05/2021<br>64-80 hours in 01/2021<br>52-68 hours in 10/2020   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No        |
| C: Wage for standard/contracted hours:<br>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month) | Legal minimum:<br>RMB1570<br>Yuan/month,<br>RMB9.02<br>Yuan/hour  | C1: RMB1600<br>Yuan/month,<br>RMB9.20<br>Yuan/hour   | C2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |
| D: Overtime wage:<br>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)             | Legal minimum:<br>RMB13.53<br>Yuan/hour for<br>the OT in<br>working day<br>RMB18.05<br>Yuan/hour for<br>the OT in rest<br>day<br>RMB27.07<br>Yuan/hour for<br>the OT in holiday | D1: RMB13.79<br>Yuan/hour for<br>the OT in<br>working day<br>RMB18.39<br>Yuan/hour for<br>the OT in rest<br>day<br>RMB27.59<br>Yuan/hour for<br>the OT in<br>holiday | D2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No |

| <b>Wages analysis:</b><br><a href="#">(Click here to return to Key Information)</a>  |  |   |
|--|--|---|
| A: Were accurate records shown at the first request?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| A1: If <b>No</b> , why not?  | NA   |   |
| B: Sample Size Checked<br>(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) | 26 sampled workers in 05/2021 (current month);<br>26 sampled workers in 01/2021 (random month);<br>26 sampled workers in 10/2020 (random month); |   |
| C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | C1: If <b>Yes</b> , please give details: NA   |
| D: If there are different legal minimum grades, are all workers graded and paid correctly?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> N/A   | D1: If <b>No</b> , please give details: NA  |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours  | <input type="checkbox"/> Below legal min<br><input type="checkbox"/> Meet<br><input checked="" type="checkbox"/> Above                           | E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i><br>All workers are paid above legal minimum wages. All 26 sampled workers in May 2021 |

|  |  |  |
|--|--|--|
| (excluding overtime) below or above the legal minimum?   |  | was contracted as RMB1600 to RMB 1720 per month.   |
| F: Please indicate the breakdown of workforce per earnings:  | F1: ___% of workforce earning under minimum wage<br>F2: ___% of workforce earning minimum wage<br>F3: _100___% of workforce earning above minimum wage   |  |
| G: Bonus Scheme found:<br>Please specify details:  | Bonus Scheme found:<br><i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i><br>Position bonus and full attendance bonus were provided for employees. |  |
| H: What deductions are required by law e.g. social insurance?<br>Please state all types:   | Personal income tax and Social Insurance<br>Remark: Personal income tax should be raised if the gross wage is over RMB 5000.   |  |
| I: Have these deductions been made?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | I1: Please list all deductions that <b>have</b> been made.<br><br>1. Social insurance fee;<br>2. personal income tax;<br><br>Please describe:  |
|  |  | I2: Please list all deductions that <b>have not</b> been made.<br><br>1. Social insurance did not cover all employees, please refer to above NC for details.<br>2.<br><br>Please describe: |
| J: Were appropriate records available to verify hours of work and wages?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |
| K: Were any inconsistencies found? (if yes describe nature)  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | K1: Type<br><br><input type="checkbox"/> Poor record keeping<br><input type="checkbox"/> Isolated incident<br><input type="checkbox"/> Repeated occurrence:                                |
| L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>L1: Please give details: payrolls and workers interview  |  |
| M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>M1: Please specify amount/time: RMB1550 since March 2021   |  |
| M2: If yes, what was the calculation method used.  | <input type="checkbox"/> ISEAL/Anker Benchmarks<br><input type="checkbox"/> Asia Floor Wage  |  |

|   |   |
|---|---|
|   | <input type="checkbox"/> Figures provided by Unions<br><input type="checkbox"/> Living Wage Foundation UK<br><input type="checkbox"/> Fair Wear Wage Ladder<br><input type="checkbox"/> Fairtrade Foundation<br>Other – please give details: Food basket method |
| N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income). | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>N1: Please give details: The wages would be adjusted at the end of each year.   |
| O: Are workers paid in a timely manner in line with local law?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |
| P: Is there evidence that equal rates are being paid for equal work?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>P1: Please give details: Payrolls and workers interview;  |
| Q: How are workers paid:  | <input type="checkbox"/> Cash<br><input type="checkbox"/> Cheque<br><input checked="" type="checkbox"/> Bank Transfer<br><input type="checkbox"/> Other<br>Q1: If other, please explain:  |

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The working hours records were reviewed.  
 Employees worked overtime on voluntary.  
 Fingerprint and facial identification system was used for time recording.  
 About 130 workers in moulding and injection areas worked for two shifts; the day shift: 8:00 to 12:00, 13:00 to 17:00, the night shift: 20:00 to 24:00, 1:00 to 5:00;  
 Other workers worked for one shift, the normal working hour was 8:00~12:00, 13:30~17:30.  
 Peak season was not obvious;  
 Workers could have one day rest per week.  
 Sunday usually was the rest day and normally overtime on Saturday;  
 The overtime hour was over 36h/m for sampled workers in sampled months - May 2021, January 2021 and October 2020. 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 54-72 hours/month in May 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 64-80 hours in January 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from

assembly and packing area) overtime worked for 52-68 hours in October 2020; please refer to below NC for details;  
 The maximum working hour was 58 hours/week in 05/2021, 01/2021 and 10/2020.

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

- SA policy;
- SA manual and procedures;
- All 26 workers' working hour record of 05/2021, 01/2021 and 10/2020;
- Attendance records;
- Production records

Any other comments: Nil

**Non-compliance:**

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

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

The overtime hour was over 36h/m for sampled workers in sampled months - May 2021, January 2021 and October 2020. 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 54-72 hours/month in May 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 64-80 hours in January 2021; 26 out of 26 sampled employees (2 from moulding area, 10 from injection area, 2 from inspection area, 12 from assembly and packing area) overtime worked for 52-68 hours in October 2020.

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

In accordance with <Labor Law of the People's Republic of China>, Article 41, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

**Recommended corrective action:**

It is recommended to the company to ensure the monthly overtime hours not exceeding 36 hours in compliance the code or apply for comprehensive working hours approval from local government.

**Objective evidence observed:**

*(where relevant please add photo numbers)*  
 1. Attendance records;  
 Workers interview;

**Observation: Nothing to report**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

|  |  |
|--|--|
|  |  |
|--|--|

| Good Examples observed: Nothing to report |                              |
|---|------------------------------|
| Description of Good Example (GE):         | Objective Evidence Observed: |

**Working hours' analysis**  
Please include time e.g. hour/week/month  
[\(Go back to Key information\)](#)

**Systems & Processes**

|  |   |  |                                    |                                       |                                |
|--|---|--|------------------------------------|---------------------------------------|--------------------------------|
| A. What timekeeping systems are used: time card etc.   | Describe: Fingerprint and facial identification system  |  |                                    |                                       |                                |
| B: Is sample size same as in wages section?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: If no, please give details                      |  |                                    |                                       |                                |
| C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?                  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.<br>Please give details: NA |                                    |                                       |                                |
| D: Are there any other types of contracts/employment agreements used?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  | D1: If YES, please complete as appropriate:  |                                    |                                       |                                |
|  |   | <input type="checkbox"/> 0 hrs   | <input type="checkbox"/> Part time | <input type="checkbox"/> Variable hrs | <input type="checkbox"/> Other |
|  |   | If "Other", Please define:   |                                    |                                       |                                |
| NA   |   |  |                                    |                                       |                                |
| E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  | E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency<br>Please give details: NA   |                                    |                                       |                                |
| F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?                    | F2: Please select all applicable:<br><input checked="" type="checkbox"/> 1 in 7 days<br><input type="checkbox"/> 2 in 14 days | F3: Is this allowed by local law?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |                                    |                                       |                                |

|  |   |  |
|--|---|--|
|  | <input type="checkbox"/> No<br>If 'No', please explain:   |  |
|  | Maximum number of days worked without a day off (in sample):  |  |
|  | 6 working days  |  |
| <b>Standard/Contracted Hours worked</b>  |   |  |
| G: Were standard working hours over 48 hours per week found?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  | G1: If yes, % of workers & frequency:<br>NA  |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?        | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  | H1: If yes, please give details:<br>NA   |
| <b>Overtime Hours worked</b>   |   |  |
| I: Actual overtime hours worked in sample (State per day/week/month)                                       | Highest OT hours:<br>2 hours per day, 18 hours per week, 72 hours per month in 05/2021;<br>2 hours per day, 18 hours per week, 80 hours per month in 01/2021;<br>2 hours per day, 18 hours per week, 68 hours per month 10/2020 |  |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found?<br>Please give details: | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |  |
| K: Approximate percentage of total workers on highest overtime hours:                                      | ___20___%   |  |
| L: Is overtime voluntary?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Conflicting Information  | L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: worker interviews  |
| <b>Overtime Premiums</b>   |   |  |
| M: Are the correct legal overtime premiums paid?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> N/A – there is no legal requirement to OT premium  | M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:<br>Not less than 150% of normal wage in weekdays.<br>Not less than 200% of normal wage in rest days.<br>Not less than 300% of in holidays in holidays. |



|   |  |   |
|---|--|---|
| <p>N: Is overtime paid at a premium?</p>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | <p>N1: If yes, please describe % of workers &amp; frequency:</p> <p>Wages were paid before the 30<sup>th</sup> day of next month; 100% workers were paid 150%, 200% and 300% normal wage in weekday, rest day and holiday overtime work respectively.</p> |
| <p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p> | <input type="checkbox"/> No<br><input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)<br><input type="checkbox"/> Collective Bargaining agreements<br><input type="checkbox"/> Other   | <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>  |
| <p>NA</p>   | <p>NA</p>  |   |
| <p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>               | <input type="checkbox"/> <b>Overtime is voluntary</b><br><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week<br><input type="checkbox"/> Safeguards are in place to protect worker's health and safety<br><input type="checkbox"/> Site can demonstrate exceptional circumstances<br><input type="checkbox"/> Other reasons (please specify) | <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>   |
| <p>NA</p>   | <p>NA</p>  |   |
| <p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>                     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>Q1: If yes, please give details: Workers had overtime work only when the order delivery time was tight.</p>   |   |
| <p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>          | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |

**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Discrimination policy was established in the SA management procedures;  
 The hiring advertisements posted on company gate and website were checked.  
 The job descriptions were checked.  
 Through workers interview and document review, no discrimination practice was found.

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

SA policy;  
 SA manual and procedures;  
 Company regulation;  
 Job description;  
 Hiring advertisement;  
 26 workers were interviewed.

Any other comments: Nil

|  |   |
|--|---|
| A: Gender breakdown of Management + Supervisors (Include as one combined group)  | A1: Male: <u>80</u> %<br>A2: Female: <u>20</u> %  |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:   | 5 females (3 R&D technicians, 2 laboratory analysts)  |
| C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?: | <input type="checkbox"/> Hiring<br><input type="checkbox"/> Compensation<br><input type="checkbox"/> Access to training<br><input type="checkbox"/> Promotion<br><input type="checkbox"/> Termination or retirement<br><input checked="" type="checkbox"/> No evidence of discrimination found<br><br>C1: Please give details: NA |

**Professional Development**

A: What type of training and development are available for workers?  
 Orientation training, H&S training etc. were available for workers, including chemical safety, position training etc.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?  
 Yes  
 No  
 If no, please give details: NA

**Non-compliance: Nothing to report**

**1. Description of non-compliance:**  
 NC against ETI       NC against Local Law       NC against customer code:  
**Local law and/or ETI requirement:**  
**Recommended corrective action:**

**Objective evidence observed:**  
*(where relevant please add photo numbers)*

**Observation: Nothing to report**

**Description of observation:**  
**Local law or ETI requirement:**  
**Comments:**

**Objective evidence observed:**

**Good Examples observed: Nothing to report**

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

**Objective Evidence Observed:**

**8: Regular Employment Is Provided**

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**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

All the employees signed labour contract with company.

The labour contracts are in compliance with legal requirements.

No labour agency is used by the company.

Workers don't need to pay any recruitment fee at the recruitment process.

The labour contracts are in Chinese and understood by workers.

The payment, terms are stated clearly in the labour contracts and signed by workers.

One copy of the labour contract is held by worker.

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

Employment policy in the SA procedures;

Company regulation;

The labour contracts of all 26 workers are reviewed;

26 workers were interviewed

Any other comments: Nil

**Non-compliance: Nothing to report**

|  |  |
|--|--|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> |
|--|--|

|   |  |
|---|--|
| <b>Observation: Nothing to report</b>   |  |
| <p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b></p> |

|  |  |
|--|--|
| <b>Good Examples observed: Nothing to report</b> |  |
| <p>Description of Good Example (GE):</p>         | <p><b>Objective Evidence Observed:</b></p> |

**Responsible Recruitment**

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

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

| <b>Migrant Workers:</b>   |   |
|---|---|
| <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i> |   |
| A: Type of work undertaken by migrant workers:  | Nil   |
| B: Please give details about recruitment agencies for migrant workers:  | B1: Total number of (in country recruitment agencies) used:<br>B2: Total number of (outside of local country) recruitment agencies used: NA |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>C1: Please describe finding: NA<br>C2: Observations: NA                      |
| D: Are Any migrant workers in skilled, technical, or management roles<br><br><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: If yes, number and example of roles: NA                                  |

### NON-EMPLOYEE WORKERS NA

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

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

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

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



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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

No sub-contracting or homeworking was used in the company.

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

Management interview  
Production records review  
Worker interview

Details: NA

**Non-compliance: Nothing to report**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation: Nothing to report**

**Description of observation:**

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

**Comments:**

**Objective evidence observed:**

**Good Examples observed: Nothing to report**

|                                   |                              |
|-----------------------------------|------------------------------|
| Description of Good Example (GE): | Objective Evidence Observed: |
|-----------------------------------|------------------------------|

**Summary of sub-contracting – if applicable**

Not Applicable please x

|  |   |
|--|---|
| A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>A1: Please describe:                   |
| B: If sub-contractors are used, is there evidence this has been agreed with the main client?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: If <b>Yes</b> , summarise details: |
| C: Number of sub-contractors/agents used:  |   |
| D: Is there a site policy on sub-contracting?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: If <b>Yes</b> , summarise details: |
| E: What checks are in place to ensure no child labour is being used and work is safe?  |   |

**Summary of homeworking – if applicable**

Not Applicable please x

|   |   |             |  |
|---|---|-------------|--|
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>A1: If <b>Yes</b> , summarise details: |             |  |
| B: Number of homeworkers  | B1: Male:   | B2: Female: | Total:                                   |
| C: Are homeworkers employed direct or through agents?   | <input type="checkbox"/> Directly<br><input type="checkbox"/> Through Agents                          |             | C1: If through agents, number of agents: |
|   |   |             |  |
| D: Is there a site policy on homeworking?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |             |  |
| E: How does the site ensure worker hours and pay meet local laws for homeworkers?             |   |             |  |

|  |  |
|--|--|
| <p>F: What processes are carried out by homeworkers?</p>         |  |
| <p>G: Do any contracts exist for homeworkers?</p>                | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>G1: Please give details:</p> |
| <p>H: Are full records of homeworkers available at the site?</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p>                                 |

9: No Harsh or Inhumane Treatment is Allowed  
[\(Click here to return to summary of findings\)](#)

**ETI**

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

Additional elements:

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

|   |  |
|---|--|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>                     | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> A1: Please give details: The employees can report to local labour bureau</p>  |
| <p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>  | <p>The contact channel was communicated to workers.</p>  |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>   | <p>Hotline, suggestion box, worker representatives etc. could be used.</p>   |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p>  | <p><input checked="" type="checkbox"/> Workers<br/> <input type="checkbox"/> Communities<br/> <input type="checkbox"/> Suppliers<br/> <input type="checkbox"/> Other<br/> D1: Please give details: Workers could use hotline, suggestion box, approach their worker representatives if they had a grievance.</p> |
| <p>E: Are there any open disputes?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> E1: If yes, please give details: no any open disputes through workers' interview and management interview.</p>  |
| <p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> F1: If no, please give details NA</p>   |
| <p>G: Is there a published and transparent disciplinary procedure?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> G1: If no, please explain NA</p>  |
| <p>H: If yes, are workers aware of these the disciplinary procedure?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> H1: If no, please give details NA</p>   |

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

**Current Systems and Evidence Examined**

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

**Current systems:**  
 Disciplinary regulation was established in the company regulation.  
 The disciplinary practices include oral warning, major warning, minor fault, major fault and dismissal specified.  
 Confidential grievance channel was provided for employees, such as hotline, suggestion box could be used.  
 No wage deduction will be taken for discipline action.  
 No discipline action was taken in the past year.  
 No physical abuse, threat of physical abuse, sexual abuse of harassment was found in the company.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**  
 Details:  
 SA policy;  
 SA manual and procedures;  
 Disciplinary regulation;  
 Company regulation;  
 Worker interview;

Any other comments: Nil

**Non-compliance: Nothing to report**

|  |  |
|--|--|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> |
|--|--|

**Observation: Nothing to report**

|   |  |
|---|--|
| <p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p> | <p><b>Objective evidence observed:</b></p> |
|---|--|

**Good Examples observed: Nothing to report**

Description of Good Example (GE):

**Objective Evidence Observed:**

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

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

**Additional Elements**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

No immigration worker has been used in the company;  
All workers have legal right to work in the country;

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

Copy of ID cards in the personnel files  
Labour contracts

Any other comments: Nil

**Non-compliance: Nothing to report**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation: Nothing to report**

**Description of observation:**

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

**Comments:**

**Objective evidence observed:**

**Good examples observed: Nothing to report**

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

**Objective Evidence Observed:**

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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The company implemented ISO14001:2014 management system;

Mr. Laiguo WU, vice general manager is designated for Environmental issues;

Environmental policy was established in the company;

The environmental improvement objectives were established;

Environmental aspects are identified. Significant environmental aspects are determined;

Legal environmental reports and approvals were in place;

The company had registered Fixed Pollution Sources in Pollutant Discharge Registered Database; registered no.: 913506817463780184001W, valid from 18<sup>th</sup> May, 2020 to 17<sup>th</sup> May, 2025;

Environmental monitoring implemented according to requirements;

Hazard waste was transferred to permitted treatment supplier named Fujian Chuxin Environment Protection Technology Co., Ltd.;

The company had communicated their environmental policy to all appropriate parties, including its own suppliers;



The company claimed that they are aware of their client's environment standard;  
 The company claimed that they had never been fined or prosecuted for environmental regulations.

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

Details:

ISO14001:2015: certificate no.: CN14/30703, valid till 11/06/2023;

Environmental policy;

Environmental Impact Assessment Form and EIA approval on 26/03/2005;

Environmental protection acceptance checks report on 05/04/2012;

Registration form of Fixed Pollution Sources in Pollutant Discharge Registered Database, registered no.: 913506817463780184001W, valid from 18<sup>th</sup> May, 2020 to 17<sup>th</sup> May, 2025;

Pollutant monitoring report issued on 28<sup>th</sup> May, 2021;

Hazardous waste transferring records on 9<sup>th</sup> June, 2021;

Environmental aspect list in 2021;

Supplier environmental requirements communication records;

Any other comments: Nil

**Non-compliance: Nothing to report**

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

NC against ETI/Additional Elements

NC against Local

NC against customer code:

**Objective evidence observed:**

*(where relevant please add photo numbers)*

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

**Recommended corrective action:**

**Observation: Nothing to report**

**Description of observation:**

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

**Comments:**

**Objective evidence observed:**

**Good examples observed: Nothing to report**

Description of Good Example (GE):

**Objective Evidence Observed:**

| <b>Environmental Analysis</b><br><i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>   |   |
|---|---|
| A: Is there a manager responsible for Environmental issues (Name and Position):   | Mr. Laiguo WU, vice general manager   |
| B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>B1: Please give details:<br>The risk assessment was conducted. The implementation of controls to reduce identified risks were established.                       |
| C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>C1: Please give details: The company obtained ISO14001:2015: certificate issued by SGS, no.: CN14/30703, valid till 11/06/2023.                                  |
| D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>D1: If yes, is it publicly available?<br>The policy was established, and posted publicly.  |
| E: If yes, does it address the key impacts from their operations and their commitment to improvement?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>E1: Please give details:<br>Environmental impacts list were established. Key impacts were identified. Environmental objectives were established for improvement. |
| F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>G1: Please give details: NA  |
| H: Have all legally required permits been shown? Please give details.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>H1: Please give details:<br>The company had obtained EIA approval and registered Fixed Pollution Sources in Pollutant Discharge Registered Database              |
| I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>I1: Please give details:<br>The chemical in/out records were available.   |
| J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>J1: Please give details: Legal requirements and client's requirements had been collected.  |

|   |  |
|---|--|
| K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>K1: Please give details: Reduction targets for targets Water consumption and electric consumption were available. |
| L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>L1: Please give details: Regular monitoring was conducted each year.  |
| M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?                                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>M1: Please give details: The consumption records were available.  |
| N: 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 type="checkbox"/> Yes <input type="checkbox"/> No NA<br>N1: Please give details: NA, no sub-contracting agency was used.  |

**Usage/Discharge analysis**

| Criteria  | Previous year: Please state period: ___2020 (Jan-Dec)___   | Current Year: Please state period: ___2021 (Jan-Jun)___  |
|---|--|--|
| Electricity Usage:<br><i>Kw/hrs</i>   | 98,495   | 67,464   |
| Renewable Energy Usage:<br><i>Kw/hrs</i>  | 0  | 0  |
| Gas Usage:<br><i>Kw/hrs</i>   | 0  | 0  |
| Has site completed any carbon Footprint Analysis?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                  |
| If <b>Yes</b> , please state result   | NA   | NA   |
| Water Sources:<br><i>Please list all sources e.g. lake, river, and local water authority.</i> | <ul style="list-style-type: none"> <li>• City tap water</li> <li>•</li> <li>•</li> </ul>             | <ul style="list-style-type: none"> <li>• City tap water</li> <li>•</li> <li>•</li> </ul>             |
| Water Volume Used:<br><i>(m<sup>3</sup>)</i>  | 39,350   | 25,890   |
| Water Discharged:<br><i>Please list all receiving waters/recipients.</i>                      | <ul style="list-style-type: none"> <li>• Municipal waste water pipe</li> <li>•</li> <li>•</li> </ul> | <ul style="list-style-type: none"> <li>• Municipal waste water pipe</li> <li>•</li> <li>•</li> </ul> |
| Water Volume Discharged:<br><i>(m<sup>3</sup>)</i>  | 3,600  | 1,650  |

|  |   |  |
|--|---|--|
| Water Volume Recycled:<br>(m <sup>3</sup> )              | 0   | 0  |
| Total waste Produced<br>(please state units)             | 39 tons   | 12 tons  |
| Total hazardous waste Produced:<br>(please state units)  | 1.6 tons  | 0.8 ton  |
| Waste to Recycling:<br>(please state units)              | 0   | 0  |
| Waste to Landfill:<br>(please state units)               | 0   | 0  |
| Waste to other:<br>(please give details and state units) | 1.2 tons hazardous waste to qualified supplier named Lianchen Yizhong Renewable Resources Co., Ltd. | 0.8 ton hazardous waste to qualified supplier named Fujian Chuxin Environmental Technology Co., Ltd. |
| Total Product Produced<br>(please state units)           | 2,100 tons  | 850 tons   |

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

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Mr. Laiguo WU, vice general manager was responsible for business ethic issues;

Business ethic procedure was established and informed to all employees;

The confidential report channel was established;

The company had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers;

There was an internal grievance process, such as hotline, suggestion box, worker representatives etc.;

The company claimed that they had never been fined or prosecuted for business ethics regulations.

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

Details:

SA policy;

SA manual and procedures;

No-bribery policy has established and pasted in bulletin board;

SA commitment including Business Ethic policy;

Any other comments: Nil

**Non-compliance: Nothing to report**

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

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

**Objective evidence observed:**  
(where relevant please add photo numbers)

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

**Recommended corrective action:**

**Observation: Nothing to report**

**Description of observation:**

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

**Comments:**

**Objective evidence observed:**

**Good examples observed: Nothing to report**

Description of Good Example (GE):

**Objective Evidence Observed:**

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- Internal Policy  
 Policy for third parties including suppliers

A1: Please give details: Anti-bribery policy is defined in SA procedures.

B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?

- Yes  
 No

B1: Please give details: Yes. The ethics training had covered all employees on 23<sup>rd</sup> March, 2021.

C: Is the policy updated on a regular (as needed) basis?

- Yes  
 No

C1: Please give details: The policy would be reviewed each year, and updated of needed.

D: Does the site require third parties including suppliers to complete their own business ethics training

- Yes  
 No

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|  |   |
|--|---|
|  | D1: Please give details: The requirement was included in the SA procedures. |
|--|---|

Other findings

**Other Findings Outside the Scope of the Code**

No specific

**Community Benefits**

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

No specific



## Appendix 1

|  |  |
|--|--|
| <p><b>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</b></p> <p><input type="checkbox"/> Not Applicable please x</p>   |  |
| <p><b>NOTE:</b> The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>  | <p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p> |
| <b>ETI Code / Additional Elements</b>  | <b>Customer's Supplier Code equivalent</b>   |
| <b>0.A. Universal Rights covering UNGP</b>   | <b>0.A. Universal Rights covering UNGP</b>   |
| <p><b>0.A. Guidance for Observations</b></p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>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.</p> |  |
| <b>0.B. Management Systems &amp; Code Implementation</b>   | <b>0.B. Management Systems &amp; Code Implementation</b>   |
| <p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>  |  |

|  |  |
|--|--|
| <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>  |  |
| <p><b>ETI 1. Forced Labour</b></p>   | <p><b>ETI 1. Forced Labour</b></p>   |
| <p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>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.</p>   |  |
| <p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>   | <p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p> |
| <p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>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.</p>  |  |
| <p><b>ETI 3. Working conditions are safe and hygienic</b></p>  | <p><b>ETI 3. Working conditions are safe and hygienic</b></p>                                    |
| <p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> |  |

|  |  |
|--|--|
| <p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>  |  |
| <p><b>ETI 4. Child labour shall not be used</b></p>  | <p><b>ETI 4. Child labour shall not be used</b></p>  |
| <p>4.1 There shall be no new recruitment of child labour.</p> <p>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.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>   |  |
| <p><b>ETI 5. Living wages are paid</b></p>   | <p><b>ETI 5. Living wages are paid</b></p>           |
| <p>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.</p> <p>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.</p> <p>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.</p> |  |
| <p><b>ETI 6. Working Hours are not excessive</b></p>   | <p><b>ETI 6. Working Hours are not excessive</b></p> |
| <p>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.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>  |  |

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| <p>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.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>- this is allowed by national law;</li> <li>- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>- appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>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.</p> |   |
| <p><b>ETI 7. No discrimination is practised</b></p>  | <p><b>ETI 7. No discrimination is practised</b></p> |
| <p>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.</p>   |   |
| <p><b>ETI 8. Regular employment is provided</b></p>  | <p><b>ETI 8. Regular employment is provided</b></p> |
| <p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>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</p>   |   |

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| <p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b><br/>             8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.<br/>             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.<br/>             8.5 Employment agencies must only supply workers registered with them.<br/>             8.6 Workers pay no recruitment fee at any stage of the recruitment process.<br/>             8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p> |  |
| <p><b>8A: Sub-Contracting and Homeworking</b></p>   | <p><b>8A: Sub-Contracting and Homeworking</b></p>              |
| <p>8A.1 There should be no sub-contracting unless previously agreed with the main client.<br/>             8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>  |  |
| <p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>  | <p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p> |
| <p>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.<br/>             Additional elements:<br/>             9.2 companies should provide access to a confidential grievance mechanism for all workers</p>   |  |
| <p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>   |  |
| <p><b>Additional Elements</b><br/>             10A.1 Only workers with a legal right to work shall be employed or used by the supplier.<br/>             10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>   |  |
| <p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>  |  |

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| <p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.<br/>         10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.<br/> <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p> |  |
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| SMETA Extra Sections for 4 Pillar Audit:  | SMETA Extra Sections for 4 Pillar Audit: |
|---|--|
| <p><b>Environment Section</b></p>   | <p><b>Environment Section</b></p>        |
| <p><b>B.4. Compliance Requirements</b><br/>           10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.<br/>           10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.<br/>           10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements<br/>           10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.<br/>           10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.<br/>           10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).<br/>           10B4.7 Businesses shall make continuous improvements in their environmental performance.<br/>           10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation<br/>           10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.<br/> <b>B4. Guidance for Observations</b><br/>           10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.<br/>           10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p> |  |
| <p><b>Business Practices Section</b></p>  |  |

**10C. Compliance Requirements**

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

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

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

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

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

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

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










**10C. Guidance for Observations**

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

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






## Photo Form

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|    |    |    |
| <p>Company name</p>  | <p>Company gate</p>  | <p>Office building</p>  |
|   |   |   |
| <p>Production buildings</p>  | <p>Dormitory building</p>  | <p>Material area</p>  |
|  |  |  |
| <p>Moulding area</p>   | <p>Injection area</p>  | <p>Dust free area</p>   |





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|  |  |  |
| <p>Attendance machine</p>  | <p>Suggestion box</p>  | <p>Kitchen</p>  |

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|  |  |  |
| <p>Canteen</p>  | <p>Dormitory aisle</p>  | <p>Dormitory room</p>  |



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

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

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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