SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC: 417853337	Sedex Site Reference: *(only available on Sedex System)*	ZS: 417861359
Business name (Company name):	DONGGUAN DAISIE CRAFTS CO., LTD		
Site name:	DONGGUAN DAISIE CRAFTS CO., LTD 东莞市多喜礼品有限公司		
Site address: *(Please include full address)*	Actual address: 20# Fuhai East Road, Shatian Town, Dongguan City, Guangdong Province China 广东省东莞市沙田镇福海东路 20 号 101 室 Business licence address: the same as above	Country:	China
Site contact and job title:	He Dong/Manager		
Site phone:	86-15818326181	Site e–mail:	duoxi2022@163.com
SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar ☒ Business Ethics
Date of Audit:	Jan 20-21, 2022		

Audit Company Name & Logo:	**Report Owner (payer):**
SGS-CSTC Standards Technical Services Co., Ltd.	DONGGUAN DAISIE CRAFTS CO., LTD

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

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

Lead auditor:	Will Liao	APSCA number: CSCA21705176
Lead auditor APSCA status: CSCA		
Team auditor:	Nil	APSCA number: Nil
Interviewers:	Will Liao	APSCA number: CSCA21705176

Report writer: Will Liao
Report reviewer: Sunny Zhong

Date of declaration: Jan 21, 2022

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

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

Summary of Findings

Issue *(please click on the issue title to go direct to the appropriate audit results by clause)* ***Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.***		**Area of Non–Conformity** *(Only check box when there is a non–conformity, and only in the box/es where the non–conformity can be found)*				**Record the number of issues by line*:**			**Findings** ***(note to auditor, summarise in as few words as possible NCs, Obs and GE)***
		ETI Base Code	**Local Law**	**Additional Elements**	**Customer Code**	**NC**	**Obs**	**GE**	
0A	Universal Rights covering UNGP			☐	☐		0	0	Nil
0B	Management systems and code implementation		☐	☐	☐	0	0	0	Nil
1.	Freely chosen Employment	☐	☐		☐	0	0	0	Nil
2	Freedom of Association	☐	☐		☐	0	0	0	Nil
3	Safety and Hygienic Conditions	☐	☐		☐	0	0	0	Nil
4	Child Labour	☐	☐		☐	0	0	0	Nil
5	Living Wages and Benefits	☒	☒		☐	1	0	0	Noncompliance finding: Incomplete social insurance. Observation finding: Nil Good example: Nil
6	Working Hours	☒	☒		☐	1	0	0	Noncompliance finding: Monthly overtime hours exceed the regulatory requirements.

									Observation finding: Nil Good example: Nil
7	Discrimination	☐	☐		☐	0	0	0	Nil
8	Regular Employment	☐	☐	☐	☐	0	0	0	Nil
8A	Sub–Contracting and Homeworking		☐	☐	☐	0	0	0	Nil
9	Harsh or Inhumane Treatment	☐	☐	☐	☐	0	0	0	Nil
10A	Entitlement to Work		☐	☐	☐	0	0	0	Nil
10B2	Environment 2-Pillar		☐	☐	☐	NA	NA	NA	NA
10B4	Environment 4–Pillar		☐	☐	☐	0	0	0	Nil
10C	Business Ethics		☐	☐	☐	0	0	0	Nil

General observations and summary of the site:

- The products manufactured at this site were gift packages.
- Overall responsibility for meeting the standards is taken by He Dong/manager.
- There was a total of 13 permanent employees in the factory during the audit. There were 13 migrant workers and 0 local workers. Migrant workers were mainly from Jiangxi, Hunan and Guangxi.
- The youngest worker on site was 21 years old on the audit day.
- Worker representative was present during the opening meeting, audit and closing meeting, besides, there was no union in factory.
- There was evidence of both male and female in management and among supervisor.
- 10 workers were selected for interview including 7 male workers and 3 female workers, they were interviewed as 1 group of 4 workers and balance of 6 workers were interviewed individually.

- Standard working time is 5 days per week and 8 hours per day. Workers worked 1 shift: 8:00-12:00, 13:30-17:30. All employees always rest on statutory holidays and Sundays based on attendance records provided by the factory.
- Based on the provided attendance records, overtime hours in sample workers: 0-2 hours per day, 0-20 hours per week, 0-78 hours per month.
- Based on provided payroll records, all workers were paid by hourly rate and Minimum wage guarantee system was established for all workers. Workers' minimum wages were paid RMB 2250 per month (RMB 12.93 per hour). The local legal minimum wage was RMB 1720 per month (RMB 9.89 per hour) and RMB 1900(RMB 10.92 per hour) per month since Dec 1, 2021.
- No child labour or young worker was identified during the audit.
- No forced labour was identified during 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

<table>
<tr><th colspan="3">Site Details</th></tr>
<tr><td>A: Company Name:</td><td colspan="2">DONGGUAN DAISIE CRAFTS CO., LTD</td></tr>
<tr><td>B: Site name:</td><td colspan="2">DONGGUAN DAISIE CRAFTS CO., LTD
东莞市多喜礼品有限公司</td></tr>
<tr><td>C: GPS location:
(If available)</td><td>GPS Address: 20# Fuhai East Road, Shatian Town, Dongguan City, Guangdong Province China</td><td>Latitude: N22°53′21″
Longitude: E113°35′41″</td></tr>
<tr><td>D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections</td><td colspan="2">Unified social credit code number: 91441900MA4X9WL129
Valid dates: From Nov 01, 2017 to long term.</td></tr>
<tr><td>E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc</td><td colspan="2">Gift packages, the production process: assembly-packing, only one assembly and packing line in the factory.</td></tr>
<tr><td>F: Site description:
(Include size, location, and age of site. Also, include structure and number of buildings)</td><td colspan="2">DONGGUAN DAISIE CRAFTS CO., LTD is located at 20# Fuhai East Road, Shatian Town, Dongguan City, Guangdong Province China. The total using area occupied was about 195 sq. meters. The facility has operated in the existing location since Nov 01, 2017. A total of 13 employees are currently working in the facility.
<table>
<tr><th>Production Building</th><th>Description</th><th>Remark, if any</th></tr>
<tr><td>Floor 1</td><td>The audited factory: DONGGUAN DAISIE CRAFTS CO., LTD with 150 sq. meters for assembly and packing workshop. Dongguan Yixing wood product factory for furniture manufacturing.</td><td>Build in 2004</td></tr>
<tr><td>Is this a shared building?</td><td>Yes</td><td>The audited factory shared the 1-storey building</td></tr>
</table>
</td></tr>
</table>

	<table><tr><td></td><td></td><td>with other 1 factory.</td></tr><tr><td>Warehouse Building</td><td>Description</td><td>Remark, if any</td></tr><tr><td>Floor 1</td><td>Warehouse</td><td>Build in 2004</td></tr><tr><td>Is this a shared building?</td><td>No</td><td>NA</td></tr></table> For below, please add any extra rows if appropriate. F1: Visible structural integrity issues (large cracks) observed? ☐ Yes ☒ No F2: Please give details: Based on onsite observation, no cracking or deflection was found on the main wall. F3: Does the site have a structural engineer evaluation? ☒ Yes ☐ No F4: Please give details: Factory provided building construction acceptance report for review, and there was structural engineer.
G: Site function:	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack House ☐ Primary Producer ☐ Service Provider ☐ 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)*	The products manufactured in the factory were gift packages. The Manufacturing processes were assembly-packing. The factory had total 1 assembly and packing line.
J: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify)

	☐ None
K: Is there any night production work at the site?	☐ Yes ☒ No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	☐ Yes ☒ No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	☐ Yes ☒ No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	☐ Yes ☐ No N1: If no, please give details N/A, there was no accommodation buildings.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 09:30 A2: Day 1 Time out: 17:30	A3: Day 2 Time in: 09:30 A4: Day 2 Time out: 12:00	A5: Day 3 Time in: Nil A6: Day 3 Time out: Nil
B: Number of auditor days used:	1.5MD (1 auditor in 1.5 days)		
C: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other If other, please define		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR *(Name and job title)*	He Dong/ Manager		
H: Is further information available *(If yes, please contact audit company for details)*	☐ Yes ☒ No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
K: Were any previous audits reviewed for this audit	☐ Yes ☐ No ☒ N/A		

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

A: Present at the opening meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	NA		
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	The factory did not have union. One worker representative attended the opening and close meeting.		

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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	0	0	0	9	0	0	0	9
Worker numbers – female	0	0	0	4	0	0	0	4
Total	0	0	0	13	0	0	0	13
Number of Workers interviewed – male	0	0	0	7	0	0	0	7
Number of Workers interviewed – female	0	0	0	3	0	0	0	3
Total – interviewed sample size	0	0	0	10	0	0	0	10

A: Nationality of Management	Chinese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. *Please add more nationalities as applicable to site. Add more rows if required.*	Nationalities: B1: Nationality 1: ____ Chinese_____ Provinces as blow: Jiangxi, Hunan, Guangxi B2: Nationality 2: _____ B3: Nationality 3: _____	Was the list completed during peak season? ☐ Yes ☐ No N/A, the peak season was not obvious in factory. If no, please describe how this may vary during peak periods:
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 ___100%_____ C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration *(management information)*	D: _____% workers on piece rate D1: ___100____% hourly paid workers D2: _____% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: __100_____% monthly paid D6: _____% other D7: If other, please give details	

Worker Interview Summary		
A: Were workers aware of the audit?	☒ Yes ☐ No	
B: Were workers aware of the code?	☒ Yes ☐ No	
C: Number of group interviews: *(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)*	One group with 4 workers	
D: Number of individual interviews *(Please see SMETA Best Practice Guidance and Measurement Criteria)*	D1: Male: 4	D2: Female: 2
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. *Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment*	☒ Yes ☐ No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No	
G: In general, what was the attitude of the workers towards their workplace?	☒ Favourable ☐ Non–favourable ☐ Indifferent	
H: What was the most common worker complaint?	All interviewed workers had a positive attitude to management and site, and no worker complained during the interview.	
I: What did the workers like the most about working at this site?	Most workers expressed that they were satisfied with working condition and the management.	
J: Any additional comment(s) regarding interviews:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.	
K: Attitude of workers to hours worked:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	

L. Is there any worker survey information available?
☐ Yes ☒ No L1: If yes, please give details:
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*
10 workers were selected for interview including 7 male employees and 3 female employees, 6 employees were selected for the individual interview and total 4 employees in one group were selected for the group interview. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory, such as the working machines and working environment were good. And they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as working condition to their supervisors who would take it to the worker management committee.
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*
Worker's committee representative reflected that the factory management was kind and the workplace was comfortable and would pay special attention to workers' suggestion and complaint. No any negative information was identified during the audit.
O: Attitude of managers: *(Include attitude to audit, and audit process. Both positive and negative information should be included)*
The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they took notice of the findings of the internal audit team and had recently implemented a Health & Safety committee to take care of health and safety concerns. The factory allowed the auditor access to all facilities, and all requested documents and records were provided in a timely manner. The factory allowed the auditor to take photos and copy relevant documents or records in the factory. The factory allowed the auditor to conduct confidential interviews with employees who were chosen freely without any influence by the factory.

Audit Results by Clause

0A: Universal Rights covering UNGP
(Click here to return to summary of findings)

0.A. Guidance for Observations
0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
0.A.3 Businesses shall identify their stakeholders and salient issues.
0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

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

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

Current systems:
1. The factory had established the necessary policy and procedure documents.
2. The factory conducted regularly trainings about social policies equivalent to ETI Code for the employees.
3. The factory had conducted internal social accountability audit and management review.

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

Details:
1. Client's code of conduct in the factory.
2. Management interview
3. Workers interview
4. Documents review

Any other comments:
Nil

A: Policy statement that expresses commitment to respect human rights?	☒ Yes ☐ No A1: Please give details: During the audit, the policy statement that expressed commitment to respect human rights was provided for review.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	☒ Yes ☐ No Please give details: Name: He Dong Job title: 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?	☒ Yes ☐ No C1: Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
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)	☒ Yes ☐ No D1: If no, please give details The grievance mechanism met with UNGP requirement.
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No E1: Please give details: All employee information and personnel files are kept locked away in the human resources office and only viewed by the HR and her team.

Findings	
Finding: Observation ☐ **Company NC** ☐ **Description of observation:** Nil **Local law or ETI/Additional elements / customer specific requirement:** Nil **Comments:** Nil	**Objective evidence observed:** Nil

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___20__ %	A2: This year ___15__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___5__ %	C2: This year ___3__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	2%	
E: Are accidents recorded?	☒ Yes ☐ No E1: Please describe: Based on accidents record, there was no accidents happened in factory.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0____% workers	I2: 12 months _____0___% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ____0___% workers	J2: 12 months ____0____% workers

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: 1. The factory had established the necessary policy and procedure documents. 2. The factory conducted regularly trainings about social policies equivalent to ETI Code for the employees. 3. The factory had conducted internal social accountability audit and management review. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: 1. Client's code of conduct in the factory. 2. Management interview 3. Workers interview 4. Documents review Any other comments: Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☒ No A1: Please give details: No such negative evidence found.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No B1: Please give details:

	The factory had established the related policy, including HR policies, hand manual, etc.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	According to procedures review, management & employee interview, no negative evidence on forced labour, child labour, discrimination, harassment & abuse was observed.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No D1: Please give details: Managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☒ Yes ☐ No E1: Please give details: Training records were provided for review.
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).*	☐ Yes ☒ No F1: Please give details: Nil
G: Is there a Human Resources manager/department? If Yes, please detail.	☒ Yes ☐ No G1: Please give details: HR supervisor was responsible for Human Resources management. HR Supervisor was Nianfang Zhong.
H: Is there a senior person / manager responsible for implementation of the code	☒ Yes ☐ No H1: Please give details: Deng Shu Ping was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	☒ Yes ☐ No I1: Please give details: The policy was established in employee manual.
J: Is there an effective procedure to ensure confidential information is kept confidential?	☒ Yes ☐ No J1: Please give details: All workers' information was kept in the personnel files.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No K1: Please give details: Risk assessments were conducted to evaluate policy and procedure effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No

	L1Please give details: Actions should be taken if issues addressed.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	☒ Yes ☐ No M1: Please give details: The factory sent a copy of the ETI code and any relevant customer codes to its own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions *(see SMETA Measurement Criteria)*?	☒ Yes ☐ No N1: Please give details: All required land rights licenses were provided.
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?	☒ Yes ☐ No O1: Please give details: The factory established the system to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
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	☒ Yes ☐ No P1: If yes, how does the company obtain FPIC: The factory established the related policy.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	☐ Yes ☐ No Q1: Please give details: NA
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☐ No R1: Please give details: NA
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	☐ Yes ☒ No S1: Please give details: NA

Non–compliance:

1. Description of non–compliance: ☐ NC against ETI/Additional Elements ☐ NC against Local Law ☐ NC against customer code: Nil **Local law and/or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

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 factory established a policy on prohibits forced labour and this was available for review.
- The recruitment procedure states that workers must present their ID card to proof their ages when recruiting, but that only copies must be kept in the personnel files and the original given back to the workers.
- The employee handbook states that workers could leave the factory within 3 days in probation period and 1 month after they raised their resign letter to supervisor if they were regular employee as local law's requirement.
- The terms and conditions of employment in the handbook state that workers are free to leave the workplace outside of their working hours.

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

Details:

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

Any other comments:
Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	☐ Yes ☒ No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	☐ Yes ☒ No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	☐ Yes ☒ No C1: If yes, please give details and category of worker affected:

D: Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☒ No D1: Please describe finding: There was no such evidence observed.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☒ Not applicable E1: Please describe finding: NA
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☒ No F1: Please describe finding: There was no such evidence observed.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☐ Yes ☐ No ☒ Not applicable G1: If yes, please give details and category of workers affected:
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No H1: Please describe finding: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law: ☐ NC against customer Nil **Local law and/or ETI requirement** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

Observation:	
Description of observation: Nil	**Objective evidence observed:**

Local law or ETI requirement: Nil **Comments:** Nil	Nil

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

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:
The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
• Based on document review, management review and workers' interview, there were 1 worker representative in the factory.
• Through worker interview, the worker could rise up their opinion through workers' director or communicate with their supervisor.
• The workers could raise their grievances or complaints to their management directly.

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

Details:
• The policy on freedom of association
• Interview with workers and management

Any other comments:
Nil

A: What form of worker representation/union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None
B: Is it a legal requirement to have a union?	☐ Yes ☒ No

C: Is it a legal requirement to have a worker's committee?	☐ Yes ☒ No	
D: Is there any other form of effective worker/management communication channel? *(Other than union/worker committee e.g. H&S, sexual harassment)*	☒ Yes ☐ No D1: Please give details: Suggestion box D2: Is there evidence of free elections? ☒ Yes ☐ No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No E1: Please give details: There was a meeting room available for worker committee for a meeting anytime.	
F: Name of union and union representative, if applicable:	N/A, there was no union in factory.	F1: Is there evidence of free elections? ☐ Yes ☐ No ☒ N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	1 worker representative was selected by workers freely.	G1: Is there evidence of free elections? ☒ Yes ☐ No ☐ N/A
H: Are all workers aware of who their representatives are?	☒ Yes ☐ No	It was confirmed by workers.
I: Were worker representatives freely elected?	☒ Yes ☐ No	I1: Date of last election: Jun 15, 2021
J: Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No	
K: Were worker representatives/union representatives interviewed?	☒ Yes ☐ No If **Yes**, please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? *Specify date of last meeting; topics covered; how minutes were communicated etc.*	According to document review, management review and worker interview, the workers selected 1 worker representative and conducted the meeting regularly. The latest meeting was conducted on Sep 8, 2021 with meeting records available.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☐ No NA	
If **Yes**, what percentage by trade Union/worker representation	M1: __0__% workers covered by Union CBA	M2: __0__% workers covered by worker rep CBA

M3: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay?	☐ Yes ☐ No NA

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer Nil **Local law and/or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

3: Working Conditions are Safe and Hygienic

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1.General Health and Safety management

- He Dong was appointed as Health & Safety Manager for the site.
- Potable water was freely available in all areas and test certificates were up-to-date.
- Sufficient clean toilets segregated by gender were available to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager.

2. Fire Safety

- The exits from each work area were clearly marked.
- Fire-fighting equipment was adequate and were inspected regularly.
- Evacuation plans were posted in all areas.
- Fire drills were organised on Aug 26, 2021.

3. Electrical safety

- Electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards, electrical panel installed onsite.
- There was one competent electrician at the site and their qualification certificate was available for review.

4. Chemical safety

- The factory post label for ethyl alcohol in workshop.
- All chemicals were provided with complete MSDS.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were first aiders trained at a local hospital.

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

Details:

Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Trained first aider register
- Accident reports
- Potable water testing certificate
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments:
Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No A1: Please give details: He Dong/ Manager was authorized person responsible for EHS.
B: Are the policies included in workers' manuals?	☒ Yes ☐ No B1: Please give details: Employees' manual covered the EHS policies.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No C1: Please give details: Factory provided building construction acceptance report for review.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	☒ Yes ☐ No D1: Please give details: Visitor's badges have H&S information on them and the visitor is requested to read it. Mask and earplugs were provided.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	☐ Yes ☒ No E1: Please give details: No local law requirement, while there were adequate first aid kits in production area.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☒ Yes ☐ No F1: Please give details: There were trained first aiders 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?	☐ Yes ☒ No G1: Please give details: N/A, there was no transport provided to workers.

H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☐ No H1: Please give details: N/A, there was no dormitory in factory.
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?	☒ Yes ☐ No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☒ Yes ☐ No J1: Please give details: Factory obtained all required environment document for review.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☒ Yes ☐ No K1: Please give details: It was acceptable.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer Nil **Local law and/or ETI requirement** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

Observation:	
Description of observation: Nil **Local law or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

4: Child Labour Shall Not Be Used
(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established a policy and procedure on worker recruitment that workers must present their original ID card to prove their ages at application stage, once workers have joined the factory, their ID copies were kept in their personnel file at HR staff and the original ID were given back to workers.
2. And the policy stated that the factory never employs and use any child labour under the age of 16 years old.
3. Checks of all workers files showed that the youngest worker present was 21 years old.
4. No child labour or young worker was identified during the audit.

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

Details:

- Recruitment policy
- Personnel files of all workers
- Latest list of employees
- Labour contracts
- Management interview
- Workers interview

Any other comments:
Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	The youngest worker on site was 21 years old.
C: Are there children present on the work floor but not working at the time of audit?	☐ Yes ☒ No
D: % of under 18's at this site (of total workers)	0 %

E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	☐ Yes ☒ No E1: If yes, give details NA

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer Nil **Local law and/or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

5: Living Wages are Paid

(Click here to return to summary of findings)
(Click here to return to Key information)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. There were written policies established on wages and benefits and which were communicated to workers during recruitment process.
2. The local legal minimum wage was 1720 RMB per month since Jul 2018 and RMB 1900(RMB 10.92 per hour) per month since Dec 1, 2021.
3. 100% workers' wages were calculated by hourly paid, the minimum wage paid by the factory was RMB 2250 per month (RMB 12.93 per hour) which were met the legal requirement.
4. The wages policy was well organised with a good controlled set of processes which are understood by all employees.
5. All workers were provided with written and understandable information about their employment conditions in respect to wages before they enter employment.
6. All workers in factory overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
7. All workers were paid about the 20th of next month and each worker was given a pay slip and signed for their wages.
8. Not all employees in the factory obtained the all required social insurance.

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

Details:

- Worker interview
- Management interview
- Local and national laws
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records from Jan 2021 to Dec 2021
- Leave records
- Payment receipts of social insurance.
- Labour contracts for all employees
- Resignation records
- Payslips of all workers interviewed

• Attendance records (Jan 1, 2021 to Jan 20, 2022) to check hourly rates and any overtime premiums

Any other comments:
Nil

Non–compliance:	
1. Description of non–compliance: ☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code: The factory does not provide 5 types of social security for all employees. According to the social security purchase records provided by the factory, there are currently 13 employees in the factory, 1 of whom has reached retirement age, and 1 is a new employee. The factory has only purchased 5 types of social security for 2 employees. **Local law and/or ETI requirement:** **Labor Law of the People's Republic of China (2018 Amendment)** Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. **ETI code** 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. **Recommended corrective action:** Factories shall provide full social insurance to all employees.	**Objective evidence observed:** Document review NC PHOTO 1

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

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

Summary Information

Criteria	**Local Law** *(Please state legal requirement)*	**Actual at the Site** *(Record site results against the law)*	**Is this part of a Collective Bargaining Agreement?**
A: Standard/Contracted work hours: *(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)*	Legal minimum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: ☐ Yes ☒ No
B: Overtime hours: *(Maximum legal and actual overtime hours, please state if possible per day, week, and month)*	Legal minimum: 3 hours per day and 36 hours per month	B1: 0-2 hour per day 0-20 hours per week 0-78 hours per month	B2: ☐ Yes ☒ No
C: Wage for standard/contracted hours: *(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: RMB 1720 per month from Jul 2018 and RMB 1900(RMB 10.92 per hour) per month since Dec 1, 2021.	C1: RMB 2250 per month	C2: ☐ Yes ☒ No
D: Overtime wage: *(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	D1: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	D2: ☐ Yes ☒ No

Wages analysis: *(Click here to return to Key Information)*			
A: Were accurate records shown at the first request?	☒ Yes ☐ No		
A1: If **No**, why not?	NA		
B: Sample Size Checked *(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)*	10 samples from Dec 2021 (Current) 10 samples from May 2021 (Random) 10 samples from Jan 2021 (Random)		
C: Are there different legal minimum wage grades? If **Yes**, please specify all.	☐ Yes ☒ No	C1: If **Yes**, please give details:	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ N/A	D1: If **No**, please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☐ Below legal min ☐ Meet ☒ Above	E1: Lowest actual wages found: *Note: full time employees and please state hour / week / month etc.* RMB 12.93/ hour RMB 2250/ month	
F: Please indicate the breakdown of workforce per earnings:	F1: ____% of workforce earning under minimum wage F2: ____% of workforce earning minimum wage F3: __100__% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: *Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.* Job subsidies: RMB 1400-3880/ Month Full attendance bonus: RMB 100/ Month continuous working years award: RMB 0~120/ Month		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, personal income tax		
I: Have these deductions been made?	☐ Yes ☒ No	I1: Please list all deductions that **have** been made.	1. Personal income tax 2. Social insurance Please describe: The deductions were required by law.

		I2: Please list all deductions that **have not** been made.	1. Social insurance Please describe: About 18% workers had social insurance.
J: Were appropriate records available to verify hours of work and wages?	☒ Yes ☐ No		
K: Were any inconsistencies found? (if yes describe nature)	☐ Yes ☒ No	K1: Type ☐ Poor record keeping ☐ Isolated incident ☐ 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)	☒ Yes ☐ No L1: Please give details: The attendance records reflected all time worked.		
M: Is there a defined living wage: *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.*	☐ Yes ☒ No M1: Please specify amount/time: NA		
M2: If yes, what was the calculation method used.	☐ISEAL/Anker Benchmarks ☐Asia Floor Wage ☐Figures provided by Unions ☐Living Wage Foundation UK ☐Fair Wear Wage Ladder ☐Fairtrade Foundation Other – please give details: NA		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☒ Yes ☐ No N1: Please give details: The factory reviewed the wages yearly refer to local bureau, workers opinion.		
O: Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No All workers were paid at about the 20th of next month.		
P: Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No P1: Please give details: Through factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates are being paid for equal work.		

Q: How are workers paid:	☒ Cash ☐ Cheque ☐ Bank Transfer ☐ Other 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:

1. The factory provided attendance records from Jan 1, 2021 to Jan 20, 2022.
2. The working time of workers were recorded by electrical system.
3. According to time records and worker interview, it was noted workers worked 1 shift (8:00-12:00, 13:30-17:30). Based on the provided attendance records, overtime hours in sample workers: 0-2 hour per day, 0-20 hours per week, 0-78 hours per month.

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

Details:

1. Worker interview
2. Management interview
3. Local and national laws

4. Factory policy on working hours
5. Attendance Record
6. Pay slips with recorded hours all workers interviewed
7. Labour contracts
8. Attendance records to establish highest and lowest hours over all employees

Any other comments:
Nil

Non–compliance:	
1. Description of non–compliance: ☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code: The factory did not ensure that employees worked overtime in compliance with regulations. According to the attendance records provided by the factory from January 1, 2021 to the day of the audit, the overtime hours in January (random), May (random), and December (current month) in 2021 exceeded 36 hours, reaching 72-78 hours , a maximum of 78 hours, takes place in December 2021. **Local law and/or ETI requirement:** **Labor Law of the People's Republic of China (2018 Amendment), Article 41** The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours. **ETI Code** 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards. **Recommended corrective action:** The factory should ensure workers' overtime working hours as per the legal requirement.	**Objective evidence observed:** Document review NC photo 2

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

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

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: Fingerprinting Attendance system*	
B: Is sample size same as in wages section?	☒ Yes ☐ No B1: If no, please give details	
C: Are standard/contracted working hours defined in **all** contracts/employment agreements?	☒ Yes ☐ No	*C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.* Please give details: *NA*
D: Are there any other types of contracts/employment agreements used?	☐ Yes ☒ No	*D1: If YES, please complete as appropriate:* ☐ 0 hrs ☐ Part time ☐ Variable hrs ☐ Other If "Other", Please define: *NA*
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	☐ Yes ☒ No	*E1: If **yes**, please detail hours, %, types of workers affected and frequency* 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: ☒ 1 in 7 days ☐ 2 in 14 days ☐ No If 'No', please explain:	F3: Is this allowed by local law? ☒ Yes ☐ No

	Maximum number of days worked without a day off (in sample):	
	6 days of all workers in factory.	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	☐ Yes ☒ No	G1: If yes, % of workers & frequency: *NA*
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	☐ Yes ☒ No	H1: If yes, please give details: *NA*
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hour / day in Jan 2021 (Random) 2 hour / day in May 2021 (Random) 2 hour / day in Dec 2021 (Current) 20 hours/ week in Jan 2021 (Random) 20 hours/ week in May 2021 (Random) 20 hours/ week in Dec 2021 (Current) 72 hours/ month in Jan 2021 (Random) 72 hours/ month in May 2021 (Random) 78 hours/ month in Dec 2021 (Current)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	☐ Yes ☒ No Max week hours was 60 hours.	
K: Approximate percentage of total workers on highest overtime hours:	*__80____%*	
L: Is overtime voluntary?	☒ Yes ☐ No ☐ Conflicting Information	*L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:* Based on documents review, management interview and worker interview, overtime was voluntary.
Overtime Premiums		

M: Are the correct legal overtime premiums paid?	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium	*M1: Please give details of normal day overtime premium as a % of **standard** wages:* *150% of normal wage for overtime on workdays;* *200% of normal wage for overtime on rest days;* *300% of normal wage for overtime on holidays.*
N: Is overtime paid at a premium?	☒ Yes ☐ No	*N1: If yes, please describe % of workers & frequency:* 100 % workers Per month.
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.	☐ No ☐ Consolidated pay *(May be standard wages above minimum legal wage, with no/low overtime premium)* ☐ Collective Bargaining agreements ☐ Other NA	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	NA	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	☐ **Overtime is voluntary** ☐ Onsite Collective bargaining allows 60+ hours/week ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify) NA	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
	NA	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☒ No Q1: If yes, please give details:	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	☐ Yes ☒ No	

7: No Discrimination is Practiced *(Click here to return to summary of findings)*
ETI 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

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

Current systems:

1. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, religion, race, marital status, ethnical beliefs and political background; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
3. There was no evidence of sexual harassment and Discrimination.

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

Details:
The hiring and termination procedure,
Leave application records
Employee handbook.
Payrolls
Attendance records
Termination records
Training records

Any other comments:
Nil

A: Gender breakdown of Management + Supervisors *(Include as one combined group)*	A1: Male: ___50__ % A2: Female__50___ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	☐ Hiring ☐ Compensation ☐ Access to training

gender, marital status, sexual orientation, union membership or political affiliation?:	☐ Promotion ☐ Termination or retirement ☒ No evidence of discrimination found C1: Please give details: NA

Professional Development	
A: What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.

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

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer Nil **Local law and/or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

Good Examples observed:

Description of Good Example (GE): Nil	**Objective Evidence Observed:** Nil

8: Regular Employment Is Provided

(Click here to return to summary of findings)
(Click here to return to Key Information)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour–only contracting, sub–contracting, or home–working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed–term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
8.5 Employment agencies must only supply workers registered with them.
8.6 Workers pay no recruitment fee at any stage of the recruitment process.
8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

1. All workers were recruited by the factory directly.
2. The labour contract, personnel files, time records and payroll records were kept in the factory's HR department and available for review during audit.
3. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
4. All interviewed workers had received a signed labour contract.
5. Workers' personal files were provided for review.

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

Details:
The hiring and termination practises
Personal files
Payroll records
Time records
Employment Contract

Any other comments:
Nil

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law ☐ NC against customer Nil **Local law and/or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

Responsible Recruitment

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

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

Migrant Workers:

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

A: Type of work undertaken by migrant workers:	All types of work included migrant workers.	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0 Migrant workers were recruited directly by the factory.	
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?	☒ Yes ☐ No C1: Please describe finding: N/A	C2: Observations: Nil
D: Are Any migrant workers in skilled, technical, or management roles *Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)*	☐ Yes ☒ No D1: If yes, number and example of roles: NA	

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable) *(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)*	
A: Number of agencies used (average):	0 A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☐ No N/A
C: Were sufficient documents for agency workers available for review?	☐ Yes ☐ No N/A
D: Is there a legal contract / agreement with all agencies?	☐ Yes ☐ No N/A

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	☐ Yes ☐ No E1: Please give details: N/A

Contractors: *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,	
A: Any contractors on site?	☐ Yes ☒ No A1: If yes, how many contractors are present, please give details:
B: If **Yes**, how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	☐ Yes ☐ No C1: Please describe finding: N/A
D: If **Yes**, please give evidence for contractor workers being paid per law:	N/A

8A: Sub–Contracting and Homeworking

(Click here to return to summary of findings)
(Click here to return to Key Information)

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

Note to auditor on homeworking:
Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.
Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

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

Current systems:
1.A site tour showed that all production processes were present in the unit.
2. No home-worker and sub-contracting was used by the factory per management interview and on-site observation.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
1. Materials in/out records
2. Worker & Management interview

Details:
Nil

Non–compliance:

1. Description of non–compliance:
☐ NC against ETI/Additional Elements ☐ NC against Local Law
☐ NC against customer code:
Nil
Local law and/or ETI /Additional Elements requirement:
Nil
Recommended corrective action:
Nil

Objective evidence observed:
Nil

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

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

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	☐ Yes ☐ No A1: Please describe:
B: If sub–contractors are used, is there evidence this has been agreed with the main client?	☐ Yes ☐ No B1: If **Yes**, summarise details:
C: Number of sub–contractors/agents used:	
D: Is there a site policy on sub–contracting?	☐ Yes ☐ No D1: If **Yes**, summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable ☒ Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	☐ Yes ☐ No A1: If **Yes**, summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	☐ Directly ☐ Through Agents	C1: If through agents, number of agents:	

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

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☒ Yes ☐ No A1: Please give details: There was suggestion box, workers could raise grievances to local media.
B: If **Yes**, are workers aware of these channels and have access? Please give details.	It was confirmed by worker interview.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Confidential e mail, issues are discussed at senior management level and investigated.
D: Which of the following groups is there a grievance mechanism in place for?	☒ Workers ☐ Communities ☐ Suppliers ☐ Other D1: Please give details: Workers could raise grievances to worker representative, supervisors, team leaders, or managers directly.
E: Are there any open disputes?	☐ Yes ☒ No E1: If yes, please give details
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)	☒ Yes ☐ No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	☒ Yes ☐ No G1: If no, please explain

H: If yes, are workers aware of these the disciplinary procedure?	☒ Yes ☐ No H1: If no, please give details
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☒ No I1: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
2. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.
3. From worker interview, they were never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.

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

Details:

- The relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation.
- Training records

Any other comments:
Nil

Non–compliance:

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

Objective evidence observed:
Nil

Observation:

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

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

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

(Click here to return to NC–table)

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

1. Based on document review, factory management representation and worker interview, all workers in the factory were Chinese, there were 13 workers that were migrant workers and 0 was local province workers. All workers had the proper legal rights to work in this region.
2. The youngest age was 21 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
3. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. No agency staff or foreign worker was used by the factory.

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

Details:
- Hiring procedure
- Personnel files
- Employee handbook
- Labour contracts
- Worker interview
- Management interview

Any other comments:
Nil

Non–compliance:

1. Description of non–compliance: ☐ NC against ETI/Additional Elements ☐ NC against Local Law ☐ NC against customer code: Nil **Local law and/or ETI /Additional Elements requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

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

(Click here to return to summary of findings)

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

B.4. Compliance Requirements

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

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

1. Environment training records review, the factory conducted environment training for workers when entering the factory.
2. The factory had established environmental management system, risk assessment was conducted accordingly; in addition, the factory established environment targets and took measures and actions to reduce environmental impact.
3. The factory conducted domestic wastewater, factory boundary noise and waste gas monitoring.
4. The factory had obtained EIA approval and environment project acceptance approval from local environmental authority.

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

Details:
Emergency action procedures

Environment manual and procedures
Environment risk assessment report
Worker and management interviews
Site tour
EIA approval and environment project acceptance approval

Any other comments:
Nil

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI/Additional Elements ☐ NC against Local ☐ NC against customer code**:** Nil **Local law and/or ETI/Additional Elements requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

Environmental Analysis *(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)*	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. He Dong/ Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☒ Yes ☐ No B1: Please give details: The factory updated risk assessment on environmental impact of the site regularly.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	☐ Yes ☒ No C1: Please give details: No any environmental system certification in the factory.
D: Does the site have an Environmental policy? *(For guidance, please see Measurement criteria)*	☒ Yes ☐ No D1: If yes, is it publicly available? The public environmental policy was available in factory.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	☒ Yes ☐ No
F: Does the site have a Biodiversity policy? *(For guidance, please see Measurement criteria)*	☐ Yes ☒ No G1: Please give details: NA
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please gives details. *(For guidance, please see Measurement criteria)*	☐ Yes ☒ No H1: Please give details: NA
H: Have all legally required permits been shown? Please gives details.	☒ Yes ☐ No ☐ N/A I1: Please give details: The factory provided EIA and other legally required permits for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☒ Yes ☐ No J1: Please give details: Legislation and client's requirements were collected, hazardous chemical management procedure was established to managing such issues.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☒ Yes ☐ No J1: Please give details: Legislation and client's requirements were collected, hazardous chemical management procedure was established to managing such issues.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	☒ Yes ☐ No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: The factory has established target and program for water consumption and discharge, waste, energy and GHG emissions.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☒ Yes ☐ No L1: Please give details: The material was recycled, record was kept.
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?	☒ Yes ☐ No M1: Please give details: The factory monitored the consumption data of water and energy by month.
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?	☒ Yes ☐ No N1: Please give details: Business partner operating permits and licences were checked every year.

Usage/Discharge analysis		
Criteria	Previous year: Please state period: ____ Jan 2020 to Dec 2020_____	Current Year: Please state period: __ Jan 2021 to Dec 2021_____
Electricity Usage: *Kw/hrs*	7829	8620
Renewable Energy Usage: *Kw/hrs*	NA	NA
Gas Usage: *Kw/hrs*	NA	NA
Has site completed any carbon Footprint Analysis?	☐ Yes ☒ No	☐ Yes ☒ No
If **Yes**, please state result		
Water Sources: *Please list all sources e.g. lake, river, and local water authority.*	• Local water authority • •	• Local water authority • •
Water Volume Used: *(m³)*	32	35
Water Discharged: *Please list all receiving waters/recipients.*	• Municipal sewage • •	• Municipal sewage • •
Water Volume Discharged: *(m³)*	NA	NA

Water Volume Recycled: *(m³)*	NA	NA
Total waste Produced *(please state units)*	2 tons	2 tons
Total hazardous waste Produced: *(please state units)*	0 tons	0 tons
Waste to Recycling: *(please state units)*	NA	NA
Waste to Landfill: *(please state units)*	NA	NA
Waste to other: *(please give details and state units)*	NA	NA
Total Product Produced *(please state units)*	330000 PCS	350000 PCS

10C: Business Ethics – 4-Pillar Audit

(Click here to return to summary of findings)

To be completed for a 4–Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current systems:

1.Mr He Dong was responsible for implementing standards concerning Business Ethics, and the practices were conducted without any corruption and bribery happened.
2.The company established a business ethics policy.
3.There was an internal grievance process including anonymous contact tel/email address.
4.Business ethics training was arranged for those employees in high risk post.

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

Details:
1.Business ethics policy and employee handbook.
2.Management and worker interview.
3.Training records

Any other comments:

Nil

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI/Additional Elements ☐ NC against Local ☐ NC against customer code**:** Nil **Local law and/or ETI/Additional Elements requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Nil

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

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

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: The factory had a business ethic policy.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☒ Yes ☐ No B1: Please give details: Business ethics training was arranged for those employees in high risk post.

C: Is the policy updated on a regular (as needed) basis?	☒ Yes ☐ No C1: Please give details: The policy was updated regularly.
D: Does the site require third parties including suppliers to complete their own business ethics training	☒ Yes ☐ No D1: Please give details: The factory required their suppliers to follow business ethic policy and provide training to all workers.

Other findings

Other Findings Outside the Scope of the Code
Nil

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

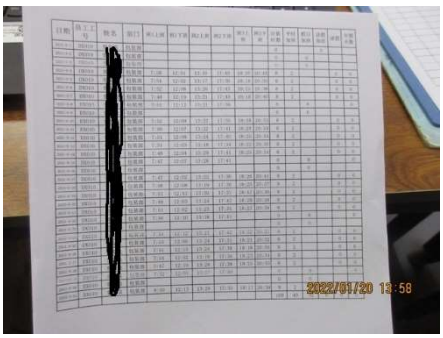
Appendix 1

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

☒ Not Applicable please x

Photo Form

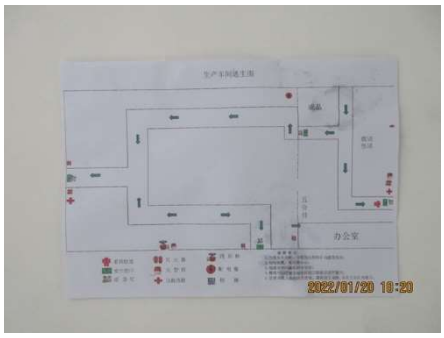
NC Photos

		*Nil*
No.1: Incomplete social insurance for workers.	*No.2: Overtime hours exceed the legal requirement.*	*Nil*

General Photos:

		
Factory gate	Factory name	Production building

		
GPS	Raw materials warehouse	Semi product warehouse

		
Finished goods warehouse	Assembly and packing workshop	Evacuation plan
		
Fire hydrant and fire alarm	Fire extinguishers	Exit sign and emergency light
		
First aid kit	Attendance recorder	Drinking water
		
Toilet	Suggestion box	Occupational hazards and no smoking sign

For more information visit: Sedexglobal.com

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

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

Click here for Buyer (A) & Buyer/Supplier (A/B) members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

Click here for Supplier (B) members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

Click here for Auditors:

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