



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000039901	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000046789	
Business name (Company name):	HANGZHOU YISAKA PAPER PRODUCTS CO.LTD			
Site name:	HANGZHOU YISAKA PAPER PRODUCTS CO LTD			
Site address:	No.59 Group 9, Tongyi Village, Hezhuang Street, Qiantang New District Hangzhou 311222 CN	Country:	CN	
Site contact and job title:	Lu Danli / Business Rep.			
Site phone:	13567134462	Site e-mail:	Yisaka666@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2024-08-29			

Audit Company Name:
ALGI China

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

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Frank Zhou	APSCA Number:	21703847
Additional Auditors:			
Date of declaration:	2024-08-29		

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

Site Representation	
Full Name:	Lu Danli
Title:	Business Rep.
Date of declaration:	2024-08-29
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
The samples covered all workers in the factory. There were only 8 workers in the audited factory.	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management Systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - ZAF600613627 NC - ZAF600613628
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§3	1	0	0	NC - ZAF600613629
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600613630
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
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<p>S1</p>	<p>In accordance with PRC Fire Prevention Law article 11, For the special construction projects stipulated by the competent department of housing and urban-rural construction under the State Council, the construction entity shall submit the documents of fire protection design to the competent departments of housing and urban-rural construction for review, and the competent departments of housing and urban-rural construction shall be responsible for the results of the review according to law. For construction projects other than those specified in the preceding paragraph, the construction entity shall provide fire protection design drawings and technical materials that meet the construction needs when applying for a construction permit or approval of the commencement report. Article 13, When the construction projects which shall be applied for fire protection acceptance stipulated by competent department of housing and urban-rural construction under the State Council were completed, the construction entity shall apply for fire inspection and acceptance from the competent department of housing and urban-rural construction. For construction projects other than those specified in the preceding paragraph, the construction entity shall report to the competent department of housing and urban-rural construction for record after fire protection acceptance, and the competent department of housing and urban-rural construction shall conduct random inspections. The construction projects that are subject to fire protection acceptance according to law, shall not be put into use without going through the inspection or passing the inspection. Other construction projects that failed to pass the sample inspection according to law shall be stopped in use.</p> <p>依据《中华人民共和国消防法》第十一条，国务院住房和城乡建设主管部门规定的特殊建设工程，建设单位应当将消防设计文件报送住房和城乡建设主管部门审查，住房和城乡建设主管部门依法对审查的结果负责。前款规定以外的其他建设工程，建设单位申请领取施工许可证或者申请批准开工报告时应当提供满足施工需要的消防设计图纸及技术资料。第十三条，国务院住房和城乡建设主管部门规定应当申请消防验收的建设工程竣工，建设单位应当向住房和城乡建设主管部门申请消防验收。前款规定以外的其他建设工程，建设单位在验收后应当报住房和城乡建设主管部门备案，住房和城乡建设主管部门应当进行抽查。依法应当进行消防验收的建设工程，未经消防验收或者消防验收不合格的，禁止投入使用；其他建设工程经依法抽查不合格的，应当停止使用。</p>
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<p>§2</p>	<p>In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practicing Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.</p> <p>依据《中华人民共和国职业病防治法》第三十五条，对从事接触职业病危害的作业的劳动者，用人单位应当按照国务院卫生行政部门的规定组织上岗前、在岗期间和离岗时的职业健康检查，并将检查结果书面告知劳动者。职业健康检查费用由用人单位承担。用人单位不得安排未经上岗前职业健康检查的劳动者从事接触职业病危害的作业；不得安排有职业禁忌的劳动者从事其所禁忌的作业；对在职业健康检查中发现有与所从事的职业相关的健康损害的劳动者，应当调离原工作岗位，并妥善安置；对未进行离岗前职业健康检查的劳动者不得解除或者终止与其订立的劳动合同。职业健康检查应当由取得《医疗机构执业许可证》的医疗卫生机构承担。卫生行政部门应当加强对职业健康检查工作的规范管理，具体管理办法由国务院卫生行政部门制定。</p>
<p>§3</p>	<p>In accordance with the Social Insurance Law of the People’s Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state. 依据《中华人民共和国社会保险法》第十条，职工应当参加基本养老保险，由用人单位和职工共同缴纳基本养老保险费。第二十三条职工应当参加职工基本医疗保险，由用人单位和职工按照国家规定共同缴纳基本医疗保险费。第三十三条职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。第四十四条职工应当参加失业保险，由用人单位和职工按照国家规定共同缴纳失业保险费。第五十三条职工应当参加生育保险，由用人单位按照国家规定缴纳生育保险费，职工不缴纳生育保险费。</p>

S4	<p>In accordance with the China Labour Law 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 labourers, 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 labourers is guaranteed. However, the total extension in a month shall not exceed 36 hours. 依据《中华人民共和国劳动法》第41条，用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>
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Site Details

Site Details			
Company Name	HANGZHOU YISAKA PAPER PRODUCTS CO.LTD		
Site Name	HANGZHOU YISAKA PAPER PRODUCTS CO LTD		
GPS location (if available)	GPS Address:	No.59 Group 9, Tongyi Village, Hezhuang Street, Qiantang New District, Hangzhou, Zhejiang, China	
	Coordinates:	E 120.468452, N 30.299243	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Social unified credit code: 9133010006399257X1, Validity period from 16 April 2013 to 15 April 2033.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Main products: Paper products; Working process: Coating, Compounding, Cutting, Rolling, Finishing, and Packing.		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	HANGZHOU YISAKA PAPER PRODUCTS CO LTD was established on 16 April 2013 and, in 2019, moved to the present address, No.59 Group 9, Tongyi Village, Hezhuang Street, Qiantang New District, Hangzhou, Zhejiang, China. The audited factory used half 1F and full 2F of one 5-storey building as office, workshops and warehouse. The construction area used by the factory was about 2,359 square meters for whole working process and office. No canteen, kitchen or dormitory was provided. Please refer to the building description below for details.		
Structure and number of buildings	Building Name:		Building 1#
	Floor	Description	Remark
	1F	Materials warehouse and Compounding workshop, Workshop of Hangzhou Sangu Aluminum and Plastic Door & Window Equipment Co.,Ltd 杭州三固铝塑门窗设备有限公司	1685 square meters, finished in 2012
	2F	Office, workshops, and warehouse	1685 square meters, finished in 2012
	3F	Not in use at present	1685 square meters, finished in 2012
	4F	Umbrella factory	1685 square meters, finished in 2012
5F	Workshop of Hangzhou Xinqi Auto Parts Co.,Ltd 杭州鑫起汽车零部件有限公司	1685 square meters, finished in 2012	

Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: From visual observation, the buildings were observed in safety conditions and without cracks.
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The buildings had been evaluated on the structure safety at the time of completion and the building structure acceptance report was provided for review.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	
Process overview	The product was Paper products; Working process: Coating, Compounding, Cutting, Rolling, Finishing, and Packing. Main equipment: Compounding machine (1), Coating machine (1), Cutting machine (1), Cutting and Rolling machine (1), Rolling machines (2), Packing machines (3). Number of production line: 1.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	The worker committee was set up on 24 January 2024. Two workers' representatives (Xu XXX and Wang XXX) was elected by 14 employees on 24 January 2024.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No dormitory was provided.

Audit Parameters		
Time in and time out	Day 1	
	In	08:00
	Out	16:00
Audit type:	FULL_INITIAL	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Lu Danli / Business Rep.	
Is further information available	No	

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	0	0	0	3	0	0	0	3
Worker numbers - female	2	0	0	3	0	0	0	5
Total	2	0	0	6	0	0	0	8
Number of Workers interviewed - male	0	0	0	3	0	0	0	3
Number of Workers interviewed - female	2	0	0	3	0	0	0	5
Total - interviewed sample size	2	0	0	6	0	0	0	8

Nationalities Structure	
Nationality of Management	Chinese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No peak season was noted in past year.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 87.5%
	Salaried: 12.5%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 3 workers.
Number of individual interviews:	Male: 2 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No complaint was raised during interviewing. Interviewees were satisfied with the factory.
What did the workers like the most about working at this site?	The payment was issued in time. The management treated them friendly and equally.
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	The workers felt happy that they had not much working overtime. Maximum 4 times per week for overtime in weekdays and 8 hours was on Saturdays. The workers had enough time to take care of their families.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
All 8 workers were selected for interview including 3 male and 5 female employees. The workers were assured the confidentiality of interview. They told about the factory freely. All interviewees said they were satisfied with their employment at the factory. All workers stated the working hours arrangement was appropriate. The wage was paid every month sufficiently in time. If they had complaints on the factory, they could raise it to the management directly or via suggestion box. Their complaints would be investigated and resolved. No negative information was identified.
Attitude of worker's committee/union reps:
The meeting was held between the workers representatives and management every 3 months. The representatives were very cooperative and openly towards the auditor. They raised employee meeting once per 3 months and helped deal with workers' health and safety issues.
Attitude of managers:
This SMETA Full initial audit (2 pillar) was Fully announced audit. The auditing date was on 29 August 2024 by ALGI auditor Frank Zhou (Lead auditor)-APSCA registration No. CSCA 21703847. The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditors took photos and copy relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. The factory agreed and were willing to take corrective action for the findings raised by oral and writing during the audit.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory establishes and implements the policy about human rights and communicates to all employees and suppliers.
2. Lu LiDan / Business Rep was a designated person responsible for implementing standards concerning Human rights.
3. The factory identifies their stakeholders and salient issues and measures the impacts on stakeholders' human rights.
4. No adverse impact on human right was happened.
5. A transparent system for confidentially reporting is in place; none-reprisal policy is established and communicated to employees.

Evidence examined:

1. Employee handbook
2. ETI Code of Conduct
3. CSR manual
4. Training records
5. Employees and management interview, etc.
6. Supplier communication and evaluation record.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the policy which stated the commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in worker's manual, and the workers knew them well as per worker interview.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Lu LiDan / Business Rep
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A transparent system for confidentially reporting is in place, none-reprisal policy is established and communicated to employees during induction training and periodical training.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept by the admin department. Only authorized people could view it.
Measuring Workplace Impact	
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))	Last year 0.0%
	This year 0.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
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)	Last year 0.0%
	This year 0.0%
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)	0.0%
Are accidents recorded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No injury accident was occurred in past 12 months in the factory.

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

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established policies and written procedures which ensured the site met freedom of association, discrimination, child labour prohibition and general human rights standards.
2. The appointment letter of management representative for management of ETI compliance was also provided for review, one senior manager was responsible for compliance with the Code.
3. Based on talking with factory management, they were familiar with local laws concerning labour standards such as wages, working hours, health and safety and so on.
4. ETI Base Code and client specific codes have been communicated to suppliers with supplier notice letter.
5. The factory conducted internal audit and management review for its social accountability system before this audit day.
6. The factory showed the property ownership certificate and construction inspection report from owner.
7. The factory obtained the business license and other legal documents to operate the company.
8. The factory conducted internal audit during 9 January 2024 and management review on 29 January 2024.

Evidence examined:

1. Employee handbook, written policies, and procedure.
2. Management representative appointment letter.
3. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
4. Management interview and worker interview.
5. Internal audit and management review report.
6. Construction inspection report.
7. Business license.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

Yes No

Please give details:

Non fines/prosecutions for noncompliance to any regulations was occurred.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Procedures on reducing the risk of forced labour, child labour, discrimination and harassment & abuse were in place.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related procedures and provided the trainings to all necessary workers to make sure the policy effectively, that was also confirmed through workers and management interviewing.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies about forced labour, child labour, discrimination and harassment & abuse were in place.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Latest training about these policies were provided for all employees on 18 April 2024 about Social compliance requirements.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have any management system certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Lu LiDan / Business Rep was responsible for HR.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Lu LiDan / Business Rep was responsible to this code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory has procedure to ensure workers' information is confidential, such as for workers' ID copy, address and contact information, etc.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All privacy information including personnel files were locked away in the admin department and only viewed by the top manager and authorized personnel.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a few of written risk assessment procedure and records such as Job analysis records for pregnant women, PPE requirements analysis.

<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory developed risk management procedures, conducted post risk assessments, and took control measures for potential high risks.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory has established the supplier policy, including the labor standards that the supplier should follow.</p>
<p>Land Rights</p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The land was belonged to owner, Hangzhou ShengDejia Industry Co.,Ltd (杭州盛得佳实业有限公司 91330100673996834K). The factory provided the agreement between the representative from owner.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>During management interview, the facility was aware of local and national and international laws and requirements with regards to land rights.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No evidence showed that the facility compensated the owner or lessor for the land prior to the facility being built or expanded.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No such situation was happened in facility.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A: There was not any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a policy which prohibited forced labour and this was available for review.
2. There was a procedure stated that employees must present their ID cards for proof of age, but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook, given to all workers on boarding, stated that employees within their probation period were free to leave with 30 days written notice. They could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office, once the worker was permanent (finished probation) employee. The handbook also stated that they would be given their full wages on their last day of work.
4. The managements did not prohibit workers from leaving the premises outside of working hours. Overtime was voluntary.
5. No wage deductions, any deposits or withholdings was identified based on the review of the payrolls.
6. The recruitment procedure stated that they could not recruit prison workers, compulsory overtime was prohibited, and employees can report threats, intimidation, and abuse to management.
7. The factory signed the labor contract with its employees, the labour contract did not have abusive items.
8. The admin department of the factory recruited employees independently, and employees did not need to pay the recruitment fee.
9. Workers were not forced to work through the threats, intimidation or physical abuses.

Evidence examined:

- 1.Social accountability policy and manual
- 2.Employee handbook
- 3.Recruitment procedure
- 4.Personnel files and labour contracts
- 5.Payroll records
- 6.Resignation records
- 7.Interview with management and workers
- 8.Site tour
- 9.Labour contracts

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

<p>Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on document review and workers' interview, there was not any restriction on workers' freedom to terminate employment.</p>
<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>N/A: No business was UK based or registered in UK for the audited factory.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on workers interview and document review, all employees were free to leave the site at the end of the workday.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The facility management claimed that they understood the risks of forced labour in its supply chain and facility were taking steps to reduce the risk of forced labour.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory taking steps to reduce the risk of forced or trafficked labour. For example, they established policy and procedure of non forced or trafficked labour.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it.
- 2. The written policy on freedom of association showed that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- 3. There were evidences of two workers' representatives elected freely by workers.
- 4. Employees understood collective bargaining rights but have no plans to conduct the collective bargaining with the company.

Evidence examined:

- 1. The policy on freedom of association and right to collective bargaining
- 2. Social accountability manual included worker representative selection program and the responsibility of the worker representatives
- 3. Interviewed workers
- 4. Interviewed management
- 5. Free election record

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	The worker committee was set up on 24 January 2024. Two workers' representatives (Xu XXX and Wang XXX) was elected by 14 employees on 24 January 2024.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box was available for workers to communicate with management anonymously. Or, the workers could communicate directly with factory management.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker's representative could use any free rooms to meet workers freely.
Name of union and union representative, if applicable:	N/A. No trade union was founded.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All workers were aware of who their representatives were. And a lot of topics had been discussed, such as workers' health & safety, working hours, wages & benefits and etc.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-01-24
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting of workers was effective, held every three months and took correction plan, and latest meeting was held on 27 June 2024. Topics covered "working in summer, training on safety, fire safety training, and etc".
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

3.1 Management system

- The factory provided pre-job occupational health training and regular on-job occupational health training for employees and disseminated occupational health and safety knowledge.
- Health & safety policy was established, and the factory managers were familiar with it.
- One senior management was appointed as Health & Safety Manager for the site.
- There was a health and safety committee at the site. The H&S committee met workers quarterly.
- H&S Risk assessments were conducted.
- The factory has conducted effective risk assessment to ensure the safety of all types of workers, e.g. female workers.

3.2 Personal Protective Equipment (PPE)

- The factory provided training records on the use of PPE.
- All PPE was provided free of charge to employees, who can replace the used PPE as defined frequency or broken.

3.3 Emergency response/ First aid/ Accidents

- One employee attended the Red Cross first aid training and obtained the certificate of first responder.
- The factory offered pre-job fire safety training for employees and organized fire safety training and fire protection drilling. The latest fire drills of all employees were conducted on 27 October 2023 and 24 April 2024.
- There were at least 2 exits at each workshop and they were clearly marked. All exits were unbarred and unlocked. The factory used bolt to fix the rolling doors.
- All evacuation aisles were clear and unblocked and its width was enough.
- The factory had no work injury happened in past 12 months.
- The factory established an emergency plan, including mechanical injury, fire accident, high temperature, traffic accident, electric shock, environmental pollution, natural disaster and so on.

3.4 Electrical safety

- One electrician was available at the site and the qualification certificate was provided for review, they regularly inspected the electrical safety of the factory.
- All electrical equipment such as sockets, plugs, switches, and main fuse boards were maintained.

3.5 Fire safety

- Fire equipment (e.g. hydrants, extinguishers) and evacuation facilities were equipped at each floor.
- Firefighting facilities were inspected once every month, and check records were available.
- There were designated fire fighters at each workplace.

3.6 Machinery

- The equipment management personnel regularly maintained the equipment and kept the maintenance records.
- No special equipment was found in the factory.

3.7 Building safety

- The factory had obtained the reports of acceptance checks for construction completion for its building.
- The buildings were observed in safety conditions and without cracks.

3.8 Hygiene

- The factory did not provide canteen or kitchen at the facility.
 - Lavatory facilities were accessible and adequate in number and segregated for men and women.
- Washbasins and water taps were available and adequate.

3.9 Chemicals

- The factory provided training on chemical safety to employees.
- The main chemical used in the factory was lubricant.

3.10 Worker health

- Filtered drinkable water was provided free of charge to workers.
- The workshop had ventilation equipment, lighting, temperature, noise and dust were appropriate.
- Employees understood the occupational hazard risks of their posts.

3.11 Accommodation

- The factory did not provide dormitory to employees.

Evidence examined:

1. Health and safety policy and procedures 2. Health and safety manual 3. Health and safety committee minutes 4. Training records and certificates 5. Relevant licenses issued by the government agencies 6. Fire equipment maintenance records 7. Fire drill and evacuation records 8. The report of acceptance checks for construction completion 9. Occupational hazardous factors inspection report 10. First aider certificates 11. Check records on fire equipment 12. Accident management procedure and blank injury log 13. PPE issuance list 14. Chemical list 15. Potable bottle water testing report 16. The occupational health examination reports 17. Interview with H&S manager and committee members 18. Interview with workers 19. Site tour
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The Health & Safety and occupational Health & Safety policies and procedures were established in the factory, and last training about these policies and procedures were provided to all workers on 18 June 2024.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Health & Safety policies are included in worker's manual. The workers knew them well according to worker interview.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not alter the structure of the buildings.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided PPE such as masks to the visitors and required the visitors to wear during factory tour. The visitors are informed not to touch any machines in the factory and not smoke in the production building.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The first aid kits were provided in all workshops for workers. No medical room was provided for employees.

<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was one trained first aider in the factory and the contact information about the trained first aiders were posted near the first aid kits at the facility.</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory did not provide transportation to workers.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There were private lockers in the packing workshop.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had conducted working hours control analysis and conducted annual risk assessment including H&S and fire safety issues.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Environment impact assessment (EIA) registration sheet and pollution source registration were provided for review as per legal required.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>No banned chemicals just hydraulic fluid and lubrication oil were used in the factory.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600613627	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	172 - Fire licence, inspection, or certificates not in place as required by law	
Subcategory	Fire Safety - Licenses, Inspections & Training	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with PRC Fire Prevention Law article 11, For the special construction projects stipulated by the competent department of housing and urban-rural construction under the State Council, the construction entity shall submit the documents of fire protection design to the competent departments of housing and urban-rural construction for review, and the competent departments of housing and urban-rural construction shall be responsible for the results of the review according to law. For construction projects other than those specified in the preceding paragraph, the construction entity shall provide fire protection design drawings and technical materials that meet the construction needs when applying for a construction permit or approval of the commencement report. Article 13, When the construction projects which shall be applied for fire protection acceptance stipulated by competent department of housing and urban-rural construction under the State Council were completed, the construction entity shall apply for fire inspection and acceptance from the competent department of housing and urban-rural construction. For construction projects other than those specified in the preceding paragraph, the construction entity shall report to the competent department of housing and urban-rural construction for record after fire protection acceptance, and the competent department of housing and urban-rural construction shall conduct random inspections. The construction projects that are subject to fire protection acceptance according to law, shall not be put into use without going through the inspection or passing the inspection. Other construction projects that failed to pass the sample inspection according to law shall be stopped in use.</p> <p>依据《中华人民共和国消防法》第十一条，国务院住房</p>	

	<p>和城乡建设主管部门规定的特殊建设工程，建设单位应当将消防设计文件报送住房和城乡建设主管部门审查，住房和城乡建设主管部门依法对审查的结果负责。前款规定以外的其他建设工程，建设单位申请领取施工许可证或者申请批准开工报告时应当提供满足施工需要的消防设计图纸及技术资料。第十三条，国务院住房和城乡建设主管部门规定应当申请消防验收的建设工程竣工，建设单位应当向住房和城乡建设主管部门申请消防验收。前款规定以外的其他建设工程，建设单位在验收后应当报住房和城乡建设主管部门备案，住房和城乡建设主管部门应当进行抽查。依法应当进行消防验收的建设工程，未经消防验收或者消防验收不合格的，禁止投入使用；其他建设工程经依法抽查不合格的，应当停止使用。</p>	
ETI code	<p>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>	
Explanation to the non compliance	<p>The factory did not provide the certificate or report/register for fire protection acceptance. 工厂没有提供消防验收合格证明或消防备案供审阅。</p>	
Follow up method	<p><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</p>	
Timescale	<p><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</p>	
Actions	<p>It is recommended that the facility should obtain relevant certificate or report/register for fire protection acceptance as per legal requirement. 建议企业应按法规的要求取得建筑的消防验收合格证明或消防备案。</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600613628	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)	
Subcategory	Worker Health	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practicing Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council. 依据《中华人民共和国职业病防治法》第三十五条，对</p>	

	<p>从事接触职业病危害的作业的劳动者，用人单位应当按照国务院卫生行政部门的规定组织上岗前、在岗期间和离岗时的职业健康检查，并将检查结果书面告知劳动者。职业健康检查费用由用人单位承担。用人单位不得安排未经上岗前职业健康检查的劳动者从事接触职业病危害的作业；不得安排有职业禁忌的劳动者从事其所禁忌的作业；对在职业健康检查中发现有与所从事的职业相关的健康损害的劳动者，应当调离原工作岗位，并妥善安置；对未进行离岗前职业健康检查的劳动者不得解除或者终止与其订立的劳动合同。职业健康检查应当由取得《医疗机构执业许可证》的医疗卫生机构承担。卫生行政部门应当加强对职业健康检查工作的规范管理，具体管理办法由国务院卫生行政部门制定。</p>
ETI code	<p>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>
Explanation to the non compliance	<p>No occupational health examination was provided to employees engaged in post with occupational disease hazards. The coating worker contacted the chemical during the work. 工厂没有为从事职业性危害作业的员工提供职业健康检查。工厂的涂布机器的工人接触化学品。</p>
Follow up method	<p><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</p>
Timescale	<p><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</p>
Actions	<p>It is recommended that the facility should provide occupational health examination to the relevant employees who work with occupational hazards according to legal requirements. 建议企业按照相关的法规要求为从事职业病危害作业的员工提供职业病体检。</p>

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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The factory evaluated the risks of child labour for its sector and country, established the recruitment procedure on prohibiting child labour.
- 2. All employees should be only hired by the admin department of the factory but not by any other department.
- 3. Based on the management interview, employees' ID and photo should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.
- 4. The factory established child labour remediation procedure. No child labour was found during the audit.
- 5. The factory has established the protection procedures for young workers. During this audit, it was not found that the factory used young workers.
- 6. The personnel in charge of recruitment were trained and aware of the risks.
- 7. Based on documents review, there was no child labour in the factory. The youngest worker identified was 25 years old currently who was born on 7 August 1999 and entered the factory in 25 October 2023.

Evidence examined:

- 1. Recruitment procedure.
- 2. Child labour remediation procedure.
- 3. Protection procedures for young workers.
- 4. Latest employee list.
- 5. Personnel files of all workers.
- 6. Interview with management and workers
- 7. Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	25
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No young worker was found worked in the factory.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory established the wages and benefits management procedure, wages were paid on time accurately and according to legislation.
2. The local legal minimum wage standard was CNY 2,490 per month (or equivalent to CNY 14.31 per hour) since 01 January 2024 and CNY 2,280 per month (or equivalent to CNY 13.10 per hour) before that.
3. Payroll records from August 2023 to June 2024 were provided by the factory for checks. All workers were paid by hourly wages and management was paid by salary. The payment was in compliance with local law required.
4. All workers were paid by hourly wages, and the minimum wages were compliance with local law required. The factory paid 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively. No overtime work in statutory holidays. All workers were paid at 15th of every month by cash and each worker was given a pay slip.
5. Workers understood their wages, including clear contractual clauses, time recording systems and payslips
6. The factory had provided annual leaves, breastfeeding leave and maternity leave and so on for workers according to the benefit policy.
7. The employees who violated the factory rules would be warned, gigged or fired, no monetary fine for disciplinary purpose.
8. Insufficient social insurance was observed.

Evidence examined:

1. Employee handbook
2. CSR manual
3. Local and national laws
4. Local legal minimum wage documents
5. Training records
6. Payroll records
7. Time records
8. Leave records
9. Resignation records
10. Production records
11. Sample pay slips with recorded hours of all workers interviewed
12. Workers' contracts
13. Social insurance receipt and commercial insurance receipt

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 16.0 Per Month: 58.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2490	Actual Per Day: 144 Per Week: 720 Per Month: 3024	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 54 Per Week: 396 Per Month: 1854	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	8 samples from July 2024 (Latest paid month) 8 samples from December 2023 (Random season) 8 samples from September 2023 (Random season)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The actual minimum wage in the factory was CNY 3,024 per month (CNY 18.00/hour).		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Nil Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance fee: a) retirement, b) medical, c) maternity d) unemployment; and e) work-related injury and Personal income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Please list all deductions that have been made.	No deduction was made.
Please list all deductions that have not been made.	The social insurance for personal part and income tax
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All relevant working hours are recorded.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a timely review when local minimum wage standard was adjusted.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee’s interviews, it was confirmed that equal rates are being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600613629	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state. 依据《中华人民共和国社会保险法》第十条，职工应当参加基本养老保险，由用人单位和职工共同缴纳基本养老保险费。第二十三条职工应当参加职工基本医疗保险，由用人单位和职工按照国家规定共同缴纳基本医疗保险费。第三十三条职工应当参加工伤保险，由用人单位缴纳工伤保险费，职工不缴纳工伤保险费。第四十四条职工应当参加失业保险，由用人单位和职工按照国家规定共同缴纳失业保险费。第五十三条职工应当参加生育保险，由用人单位按照国家规定缴纳生育保险费，职工不缴纳生育保险费。</p>	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough	

	to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	<p>According to interview and document review, 7 out of 11 eligible workers (Total 15 employees), who could buy social insurance, participated in 5-type social insurances (Medical, Retirement, Maternity, Unemployment, and Work-related injury insurances) based on the social insurance receipt in July 2024 and commercial insurance receipt. The coverage of 5-type social insurances was 63.6%. The factory provided commercial accident insurance to other workers with validation from 17 October 2023 and 16 October 2024. The comprehensive coverage of work-related injury insurance and commercial insurance was 100.0%. There were 4 retirees, but no newly joined (after July 2024) worker, temporary worker, or dispatched worker in the factory. No social insurance waiver or commercial insurance was provided. 根据访谈和文件审查, 根据2024年7月的社保单据以及商业保险单据, 工厂可参保的11名员工(总计15名人员)中有7名员工参加了社保五险(医疗、养老、生育、失业以及工伤保险), 社保五险覆盖率为63.6%。工厂提供了其余员工商业意外险, 保险区间为2023年10月17日至2024年10月16日, 工伤保险以及商业保险综合覆盖率为100%。备注: 工厂有4名退休返聘人员, 但是没有新加入(2024年7月后入职)的员工, 临时工以及劳务派遣工。工厂没有提供社保批文或者商业保险。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that the factory should ensure all possible workers participate in all 5 types of social insurance schemes in accordance with the Law. 建议工厂依据法律给所有能参加社保的人都购买社保五险。</p>	

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

6: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. All production workers used electronic time recording machine to record their working hours while some management position used Dingding APP to record working hours.
- 2. The factory's attendance system accurately recorded employees' working hours by electronic system, and employees could report to the executive department if the time records are wrong.
- 3. The attendance records from 01 August 2023 to the audit date (28 August 2024) were provided and sampling checked during this audit.
- 4. The working hour policy, labour contracts etc. indicated that the regular working hours in the factory was 8 hours per day and 5 days per week.
- 5. The factory arranges the production in accordance with the clients' orders. No Peak season or low season was noted in last 13 months was from August 2023 to August 2024.
- 6. There was two kinds of shifts in the factory. The regular shift was from 07:30-11:30; 12:30-16:30 for workers from all workshops. All employees used face identification for their attendance status. Working overtime 8 hours on Saturdays if needed. No working was arranged on Sundays and public holidays.
- 7. All the employees in workers interview stated that they worked overtime on voluntary basis.
- 8. The maximum weekly working hours were 56 hours.
- 9. The maximum overtime hours were 2 hours per weekday, 16 hours per week and 60 hours per month.
- 10. Workers did not work consecutive seven days.
- 11. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.
- 12. The factory established working hours and overtime management procedures that ensure working hours meet the international labour standards and national regulation. However, working overtime of samples was not compliance with local law required.

Evidence examined:

- 1. Factory policy on working hours
- 2. Local and national laws
- 3. Workers contracts
- 4. Attendance records
- 5. Computerised time logging system
- 6. Production and quality records to cross check hours
- 7. Working hours and overtime management procedures
- 8. Management interview and worker interview

Any other comments:

Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	Electronic (face identification and finger printing) attendance system
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	

<p>Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours:</p> <p>Max. Daily(weekday) working overtime 2 hours/day in July 2024 (Latest paid month) 2 hour/day in December 2023 (Random month) 2 hours/day in September 2023 (Random month)</p> <p>Max. Weekly working overtime 14 hours/week in July 2024 (Latest paid month) 14 hour/week in December 2023 (Random month) 16 hours/week in September 2023 (Random month)</p> <p>Max. Monthly working overtime 58 hours/month in June 2024 (Latest paid month) 60 hour/month in December 2023 (Random month) 58 hours/month in September 2023 (Random month)</p>
<p>Combined hours (standard or contracted + overtime hours = total) over 60 found?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Maximum weekly working hours: 56 (40+16)</p>
<p>Approximate percentage of total workers on highest overtime hours:</p>	<p>100.0%</p>
<p>Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p> <p>Please give details: Provided contracts stated that overtime may be requested but it is voluntary. Partial workers would like to work overtime to earn more money.</p>
<p>Overtime premium</p>	
<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: 150% of normal wage rate for weekday overtime, and 200% of normal wage rate for rest-day overtime, 300% of normal wage rate for statutory holiday overtime.</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>150% of normal wage rate for weekday overtime, and 200% of normal wage rate for rest-day overtime, and no overtime was noted on statutory holidays.</p>
<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input type="checkbox"/> Other</p>
<p>Please give details</p>	<p>N/A: The factory paid at least 150% OT premium for workers per law required, which was higher than 125% OT premium. so there are no other consideration.</p>

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

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600613630	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with the China Labour Law 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 labourers, 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 labourers is guaranteed. However, the total extension in a month shall not exceed 36 hours. 依据《中华人民共和国劳动法》第41条，用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Based on 24 sample employees' time records (8 samples from July 2024 (Latest paid month), 8 samples from December 2023 (Random month) and 8 samples from September 2023 (Random month) yielded the following: all 8 sample employees' overtime hours were 58 hours per month in July 2024, 60 hours per month in December 2023, and 58 hours per month in September 2023, which exceeded legal overtime limit: 36 hours per month. 基于工时记录中抽取的24个样本（其中从2024年07月(当前月)抽取8个，从2023年12月(随机月)抽取8个，从2023年9月(随机月)抽取8个），发现所有8名员工在2024年7月的月加班时间为58小时，在2023年12月的月	

	加班时间为60小时，在2023年9月的月加班时间为58小时,超过每月加班时间不能超过36小时的法律规定。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory will ensure the overtimes of workers in accordance with the legal requirements and ETI code. The maximum overtime hours did not exceed 3 hours a day and 36 hours a month. 工厂应该确保员工的加班时间符合国家法规要求。	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Workers have the same terms and conditions of employment based only on knowledge, skills, and experience.
2. As information from interviewed workers, most employees thought the management was fairly.
3. The factory provided the same pay to male/female employees.
4. Anti-discrimination procedure on hiring, compensation, promotion, and access to training is available during the audit.
5. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
6. There is an internal grievance process.
7. There is no evidence of sexual harassment.

Evidence examined:

1. Employee handbook including the hiring and termination procedure and disciplinary policy
2. CSR manual
3. Training records
4. Leave application records
5. Payroll records
6. Attendance records
7. Termination records
8. Disciplinary action records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 28.6%	Female: 71.4%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	There were 2 female skilled workers in the factory, who worked as technical or QC.	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement
		<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	There was no evidence of any discrimination. workers have the same terms and conditions of employment based only on knowledge, skills, and experience.	
Professional Development		
What type of training and development are available for workers?	Induction training and periodic training including production skills were provided to workers.	

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)

Yes No

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Work performed was based on recognized employment relationship established through national law and practice.
2. The factory signed labour contracts with employees within 30 days after employment and provided one copy to the employees.
3. The employment agreement complied with all applicable regulations.
4. The factory conducted orientation training for new employees.
5. All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified.

Evidence examined:

1. Employee handbook including the hiring and termination practices
2. CSR manual
3. Personnel files
4. Payroll records
5. Labour contracts
6. Training records
7. Employee and management interview

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- | | | | |
|-------------------------------------|------------------------------|-------------------------------------|-----------------------|
| <input checked="" type="checkbox"/> | Terms & Conditions presented | <input checked="" type="checkbox"/> | Understood by workers |
| <input checked="" type="checkbox"/> | Same as actual conditions | | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Migrant Workers	
Type of work undertaken by migrant workers:	All employees were Chinese but no domestic migrant worker was from other province of China. The factory ensured the migrant worker took the same works as the local employees did, such as technical director.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No special deduction or transaction against migrant worker was found.
Is there any observation on this finding?	There is no any observation for this finding of regular employment.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. All workers were recruited by the factory directly. No agency was used.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A: No agency was used.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A: No agency was used.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	

Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractor used on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not use contracted workers.

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

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory has established subcontractor management procedures, there was no home worker found during this audit.
2. If the client's products need subcontractor, the factory would inform the client, no inconsistent evidence was detected regarding this section.
3. Based on the site tour, the factory had all kinds of equipment to produce customers' products. All the production processes were noted on site.
4. By checking the production records, quality records, warehouse records and order information, no subcontractor was used by the factory.

Evidence examined:

1. List of approval supplier and sub-contractors
2. Production records
3. Quality records
4. Warehouse records
5. Customer orders
6. Interview with management and workers
7. Site tour

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. There was a policy of no harsh or inhumane treatment.
2. According to the documentation, the factory management had established a disciplinary procedure that included oral warning, written warning and finally termination of employment. The factory had developed a training program for all employees on the procedure. Worker interviews confirmed that workers were aware of the disciplinary procedure.
3. There was an internal process for grievance, there was a suggestion box sited in the workshop, workers could report any grievance (harassment, bullying, discrimination, etc.) and any received complaint would be handled by general manager, without any reprisal for the worker in question.
4. The factory actively trained managers and workers on fair treatment, once harassment incident occurs, the management will take immediate action.

Evidence examined:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation.
3. Disciplinary action records
4. Grievance records
5. Training records
6. Complaint/grievance records.
7. Interview with management and workers

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers could report to the local authority department such as local labour bureau If violations occurred.
If yes, are workers aware of these channels and have access? Please give details.	Workers were aware of the channel and they could report violations to the Local labour bureau freely.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	One suggestion box sited in the factory, workers could report any grievance (harassment, bullying, discrimination etc.) and any received complaint would be handled by factory admin manager, without any reprisal for the worker in question.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Other

Please provide grievance mechanism details	Employees could raise their grievances directly to supervisors, workers representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would post corresponding feedback on the bulletin board. External stakeholders could raise their grievances through the company's public contact information, such as phone and email, the management of the company will deal with it timely.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. As per document review, management and workers interview, no employment agency was used by the factory.
- 2. The factory recruited the new workers directly by the advertisements, employees' recommendation, and recruitment fair.
- 3. All workers in the factory were Chinese.
- 4. All workers had the proper legal rights to work in this region.
- 5. No agency staff or foreign worker was found during this audit.

Evidence examined:

- 1. Hiring procedure.
- 2. Worker handbook
- 3. Personal files and contracts
- 4. Interview with management and workers

Any other comments:

Nil

10B2 - Environment 2-Pillar
[Summary of Findings]

10B2: Compliance Requirements

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

10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current Systems:

1. The factory established the written environmental policy, manual and a series of procedures.
2. The factory had legally required environmental documents including the environmental impact assessment (EIA) report and pollution source registration.
3. The main waste discharged from the factory were packing material, living wastewater, and the disposal records were available.
4. No industrial wastewater generated in the factory.
5. The factory had provided environment training for relative management and workers per year and kept relative training records. Lu LiDan / Business Rep was responsible for the environmental management, understood local environment laws and regulations, understood the end client's environmental standards/code requirements.
6. The factory had established an environmental policy, covering their environmental impact, which was communicated to all appropriate parties, including its own suppliers.
7. The factory was not subjected to any fines/prosecutions for non-compliance to environmental regulations.
8. Based on observation on site, management interview and document review, the factory employed qualified suppliers to deal with hazardous wastes. The relevant receipts and qualification documents were provided for review.
9. The factory established environmental management procedures and an environmental management committee to implement the control measures on environment protection.
10. The factory commissioned a qualified agency to monitor its discharges of environmental pollutants, kept the monitoring reports for review. Monitoring data showed that the factory's pollutant discharge met the relevant national standards.




Evidence examined:

1. Environment policy, manual & procedures.
2. Waste handling records
3. Training records
4. Management interview and worker interview
5. Site tour
6. Monitoring data and annual report
7. Environment Impact Assessment report, pollution emission monitoring report, and pollution registration.

Any other comments:

Nil

Attachments

 <u>24CHN-1428647_Business_license.pdf</u>	 <u>24CHN-1428647 Signed Capr.pdf</u>
 <u>24CHN-1428647 OPS02 - F12 Photo Report SMETA.pdf</u>	



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