Sedex Members Ethical Trade Audit Report

Version 6.1

Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC: 412796729	Sedex Site Reference: *(only available on Sedex System)*	ZS: 412910460
Business name (Company name):	Suzhou Zhonglu Hycan Packagings Co.,Ltd.		
Site name:	Suzhou Zhonglu Hycan Packagings Co.,Ltd. 苏州华源中鲈包装有限公司		
Site address: *(Please include full address)*	Zhonglu Road, Zhonglu Economic Development Zone, Pingwang Town, Wujiang District, Suzhou City, Jiangsu Province,P.R. China 苏州市吴江区平望镇中鲈开发区	Country:	China
Site contact and job title:	Andy/Admin Manager		
Site phone:	0512-86872990	Site e–mail:	swh@huayuan-print.com

SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar	☒ Business Ethics
Date of Audit:	23~24/02/2021			

Audit Company Name & Logo: SGS-CSTC Standards Technical Services Co., Ltd.	**Report Owner (payer):** *Suzhou Zhonglu Hycan Packagings Co.,Ltd.*

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

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

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

Lead auditor: Olivia Wan	APSCA number: RA 21702046
Lead auditor APSCA status: RA	
Team auditor: NA	APSCA number: Nil
Interviewers: Olivia Wan	APSCA number: RA 21702046

Report writer: Olivia Wan
Report reviewer: Esther Wang

Date of declaration: 24/02/2021

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

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

Summary of Findings

	Issue (please click on the issue title to go direct to the appropriate audit results by clause) ***Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.***	Area of Non–Conformity *(Only check box when there is a non–conformity, and only in the box/es where the non–conformity can be found)*				Record the number of issues by line*:			Findings *(note to auditor, summarise in as few words as possible NCs, Obs and GE)*
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			☐	☐		0	0	Nil
0B	Management systems and code implementation		☐	☐	☐	0	0	0	Nil
1.	Freely chosen Employment	☐	☐		☐	0	0	0	Nil
2	Freedom of Association	☐	☐		☐	0	0	0	Nil
3	Safety and Hygienic Conditions	☒	☒		☐	1	4	0	Summary of Non-Compliance finding: No off-the-job occupational health check was provided for employees and no summary report was provided. Summary of Observation finding: 1. No safety exit sign was installed for one safety exit and was improved onsite. 2. Gas cylinders were not fixed and was improved onsite. 3. No handrail was installed for ladder and was improved onsite. 4. Painting workers were not wearing activated carbon masks and was improved onsite. Summary of GE: Nil

4	Child Labour	☐	☐		☐	0	0	0	Nil
5	Living Wages and Benefits	☐	☐		☐	0	0	0	Nil
6	Working Hours	☐	☐		☐	0	0	0	Nil
7	Discrimination	☐	☐		☐	0	0	0	Nil
8	Regular Employment	☐	☐	☐	☐	0	0	0	Nil
8A	Sub–Contracting and Homeworking		☐	☐	☐	0	0	0	Nil
9	Harsh or Inhumane Treatment	☐	☐	☐	☐	0	0	0	Nil
10A	Entitlement to Work		☐	☐	☐	0	0	0	Nil
10B2	Environment 2-Pillar		☐	☐	☐	NA	NA	NA	NA
10B4	Environment 4–Pillar		☐	☐	☐	0	0	0	Nil
10C	Business Ethics		☐	☐	☐	0	0	0	Nil

General observations and summary of the site:

- Site summary:
- The factory was established on Apr.18, 2012.
- The main products in the factory were Metal cans/ Metal caps.
- The manufacturing processes:
  Metal cans: Incoming materials-Cutting-Rolling-Welding-Painting-Heating-End sealing-Inspection-Packaging-Finished goods.
  Metal caps: Material feeding-Moulding-Glue injection and drying-Inspection and packing
- The factory had established a management system to manage the social accountability issues in the factory. Factory appointed a senior member of management to responsible for compliance with ETI code.
- There were 98 regular employees in the factory during the audit.
- The youngest worker in the factory was 20 years old, who was born on Jun.25, 2000 and entered the factory on Mar.20, 2020.
- The peak season of the factory was not obvious.

- 10 workers were selected for interview, including 5 male worker and 5 female workers. They were interviewed as 1 group with 4 workers and 6 workers were interviewed individually. All workers said they were satisfied with their employment at the factory. They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
- Standard working time was 5 days per week and 8 hours per day.
- Based on provided payroll records and management interview, it was noted all workers were paid by hourly rate.
- Minimum wage guarantee system was established for workers. local minimum wage was RMB2020/month since Aug.01,2018, factory paid at least RMB2650 to workers each month.
- Based on payroll records from Feb.2020 to Jan. 2021 and attendance records from Feb.01, 2020 to the audit day provided by the factory, it was noted the factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime, which was in line with legal requirement. The wage payment period of the factory was from the 1st to end of the month, workers were paid on 20th of each month by cash.
- Based on attendance records from Feb.01, 2020 to the audit day provided by the factory, all sampled employees' max daily overtime hours were 2hrs, the max weekly overtime working hours were 10hrs, and max monthly overtime hours were 35hrs.
- 3 worker representatives were elected in the factory. One worker representative attended the opening and closing meeting during this audit, also suggestion box was available in the factory. Based on workers interview, they could reflect their complaints freely.
- Overtime hours in samples were:
  0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Jan. 2021 (current);
  0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Dec. 2020 (random);
  0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Sep. 2020 (random).

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

Site Details

<table>
<tr><th colspan="3">Site Details</th></tr>
<tr><td>A: Company Name:</td><td colspan="2">Suzhou Zhonglu Hycan Packagings Co.,Ltd.</td></tr>
<tr><td>B: Site name:</td><td colspan="2">Suzhou Zhonglu Hycan Packagings Co.,Ltd.
苏州华源中鲈包装有限公司</td></tr>
<tr><td>C: GPS location:
(If available)</td><td>GPS Address: Zhonglu Road, Zhonglu Economic Development Zone, Pingwang Town, Wujiang District, Suzhou City, Jiangsu Province,P.R. China</td><td>Latitude: 31°1'33''N
Longitude: 120°37'39''E</td></tr>
<tr><td>D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections</td><td colspan="2">Business license No.:91320509593986900D
Valid date: From Apr.18, 2012 to long term.</td></tr>
<tr><td>E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc</td><td colspan="2">Metal cans/ Metal caps</td></tr>
<tr><td>F: Site description:
(Include size, location, and age of site. Also, include structure and number of buildings)</td><td colspan="2">Suzhou Zhonglu Hycan Packagings Co.,Ltd. Was located at Zhonglu Road, Zhonglu Economic Development Zone, Pingwang Town, Wujiang District, Suzhou City, Jiangsu Province,P.R. China. The total land area occupied was about 26000 sq. meters. The facility was established in 2012 and business license was provided. A total of 98 regular employees were currently working in the factory. The production employees work for 5 days a week in one shift, the normal working hour is from 8:00am to 17:00pm with 1 hour for meal. Employees' wages were calculated on hour basis and paid on the 20th of each month by cash. There were 2 buildings used by the factory, for detail pls. refer to the table:
<table>
<tr><td>Production Building no 1</td><td>Description</td><td>Remark, if any</td></tr>
<tr><td>Floor 1</td><td>Production workshop/ Warehouse</td><td>Built in 2015</td></tr>
<tr><td>Floor 2</td><td>Office</td><td>Built in 2015</td></tr>
</table></td></tr>
</table>

	<table><tr><td>Floor 3</td><td>Office / Canteen</td><td>Built in 2015</td></tr><tr><td>Is this a shared building?</td><td>No</td><td>Built in 2015</td></tr></table> <table><tr><td>Production Building no 2</td><td>Description</td><td>Remark, if any</td></tr><tr><td>Floor 1</td><td>Chemical warehouse/ Sundry goods warehouse</td><td>Built in 2015</td></tr><tr><td>Is this a shared building?</td><td>No</td><td>Built in 2015</td></tr></table> For below, please add any extra rows if appropriate. F1: Visible structural integrity issues (large cracks) observed? ☐ Yes ☒ No F2: Please give details: Based on onsite observation, no visible structural integrity issues such as cracks was found. F3: Does the site have a structural engineer evaluation? ☒ Yes ☐ No F4: Please give details: Based on documents review, the factory provided the Building Structure Safety Certificate.
G: Site function:	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack House ☐ Primary Producer ☐ Service Provider ☐ Sub–Contractor
H: Month(s) of peak season: (if applicable)	NA. No obvious peak season.
I: Process overview: *(Include products being produced, main operations, number of production lines, main equipment used)*	The main products in the factory were Metal cans/ Metal caps The manufacturing processes for Metal cans: Incoming materials-Cutting-Rolling-Welding-Painting-Heating-End sealing-Inspection-Packaging-Finished goods.

	Metal caps: Material feeding-Moulding-Glue injection and drying-Inspection and packing 11 automatic can-making lines, and 9 automatic cap-making lines.
J: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee 3 worker representatives were elected. ☐ Other (specify) ☐ None
K: Is there any night production work at the site?	☐ Yes ☒ No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	☐ Yes ☒ No L1: If yes, approx. 0 % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	☐ Yes ☒ No M1: If yes, approx. 0 % of workers
N: Were all site-provided accommodation buildings included in this audit	☐ Yes ☐ No NA N1: If no, please give details No dormitory was provided.

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9:10am A2: Day 1 Time out: 17:15pm	A3: Day 2 Time in: 8:50am A4: Day 2 Time out: 13:00pm	A5: Day 3 Time in: Nil A6: Day 3 Time out: Nil
B: Number of auditor days used:	1.5 (1 auditor X 1.5 days)		
C: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other If other, please define		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: NA weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR *(Name and job title)*	Shen Wenhua/Admin Manager		
H: Is further information available *(If yes, please contact audit company for details)*	☐ Yes ☒ No		
I: Previous audit date:	NA. This is initial audit.		
J: Previous audit type:	NA. This is initial audit.		
K: Were any previous audits reviewed for this audit	☐ Yes ☐ No ☒ N/A		

Audit attendance	Management	Worker Representatives

	Senior management		Worker Committee representatives		Union representatives	
A: Present at the opening meeting?	☒ Yes	☐ No	☒ Yes	☐ No	☐ Yes	☒ No
B: Present at the audit?	☒ Yes	☐ No	☒ Yes	☐ No	☐ Yes	☒ No
C: Present at the closing meeting?	☒ Yes	☐ No	☒ Yes	☐ No	☐ Yes	☒ No
D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	NA					
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	No union was set up at this site.					

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	42	0	0	21	0	0	0	63
Worker numbers – female	17	0	0	18	0	0	0	35
Total	59	0	0	39	0	0	0	98
Number of Workers interviewed – male	0	0	0	5	0	0	0	5
Number of Workers interviewed – female	1	0	0	4	0	0	0	5
Total – interviewed sample size	1	0	0	9	0	0	0	10

A: Nationality of Management	Chinese	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. *Please add more nationalities as applicable to site. Add more rows if required.*	Nationalities: B1: Nationality 1: ____Chinese____ B2: Nationality 2: ________ B3: Nationality 3: ________	Was the list completed during peak season? ☐ Yes ☐ No NA If no, please describe how this may vary during peak periods: No obvious peak season.
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 ____100%____ C1: approx % total workforce: Nationality 2 ________ C2: approx % total workforce: Nationality 3 ________	
D: Worker remuneration *(management information)*	D: _______% workers on piece rate D1: ____100___% hourly paid workers D2: _______% salaried workers Payment cycle: D3: _______% daily paid D4: _______% weekly paid D5: ____100___% monthly paid D6: _______% other D7: If other, please give details	

Worker Interview Summary		
A: Were workers aware of the audit?	☒ Yes ☐ No	
B: Were workers aware of the code?	☒ Yes ☐ No	
C: Number of group interviews: *(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)*	4 workers in 1 group (4 in total)	
D: Number of individual interviews *(Please see SMETA Best Practice Guidance and Measurement Criteria)*	D1: Male: 4	D2: Female: 2
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. *Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment*	☒ Yes ☐ No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No	
G: In general, what was the attitude of the workers towards their workplace?	☒ Favourable ☐ Non–favourable ☐ Indifferent	
H: What was the most common worker complaint?	No worker complained anything during the interview.	
I: What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the wages.	
J: Any additional comment(s) regarding interviews:	No additional comments.	
K: Attitude of workers to hours worked:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	
L. Is there any worker survey information available?		
☐ Yes ☒ No L1: If yes, please give details:		

M: Attitude of workers: *(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*
10 workers were selected for interview including 5 male employee and 5 female employees, and they were interviewed as 1 group with 4 workers per group and 6 individual workers. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as food quality to their worker representative who would take it to the worker management committee.
N: Attitude of worker's committee/union reps: *(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*
Interviewed with the worker representative she said factory management were very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No any negative information was identified.
O: Attitude of managers: *(Include attitude to audit, and audit process. Both positive and negative information should be included)*
The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accesses to 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.

Audit Results by Clause

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all workers. • Shen Wenhua/Admin Manager was a designated person responsible for implementing standards concerning Human rights. • The factory had identified their stakeholders and salient issues. • The factory had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. • The factory had addressed these issues and enable effective remediation. • The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: 1. Management interview 2. Workers interview 3. Documents review Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?	☒ Yes ☐ No A1: Please give details: The factory established the policy which stated that expresses commitment to respect human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	☒ Yes ☐ No Please give details: Name: Shen Wenhua Job title: Admin Manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	☒ Yes ☐ No C1: Please give details: Such policy was established.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☒ Yes ☐ No D1: If no, please give details NA
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No E1: Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.

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

Good examples observed:

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: ___3__ %	A2: This year ___3__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2.8%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___0__ %	C2: This year ___0__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0%	
E: Are accidents recorded?	☒ Yes ☐ No E1: Please describe: Accidents records were provided.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total worke rs]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ____0___% workers	I2: 12 months _____0___% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ____0___% workers	J2: 12 months ____0____% workers

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • Factory had appointed a senior member of management to responsible for compliance with ETI code and had communicated ETI Code to all employees and its suppliers. • Based on management interview and document review, it was noted factory had conducted internal audit or management review regularly. • Based on management interview, factory monitored the compliance of social responsibility for its suppliers regularly. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • Social responsibility policy and procedure. • Management system. • Worker interview and management interview • Document review Any other comments: Nil

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☒ No A1: Please give details: No such fine or prosecutions were identified.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No B1: Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No D1: Please give details: The factory had provided the training to management and workers.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☒ Yes ☐ No E1: Please give details: The factory had provided the training to management and workers. The related record was provided for review.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). *Please detail (Number and date).*	☐ Yes ☒ No F1: Please give details: No such certificate was provided by factory.
G: Is there a Human Resources manager/department? If Yes, please detail.	☒ Yes ☐ No G1: Please give details: There is a HR department in the factory. And the responsible person was Xia Panpan/HR.
H: Is there a senior person / manager responsible for implementation of the code	☒ Yes ☐ No H1: Please give details: Shen Wenhua/Admin Manager was responsible for implementation of the Code.
I: Is there a policy to ensure all worker information is confidential?	☒ Yes ☐ No I1: Please give details: All worker information is kept in files in the personnel office.
J: Is there an effective procedure to ensure confidential information is kept confidential?	☒ Yes ☐ No J1: Please give details: Procedure was established in employee manual.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No K1: Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness, such as finance audit.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No L1Please give details: The factory had established such process to address issues.

M: Does the facility have a policy/code which require labour standards of its own suppliers?	☒ Yes ☐ No M1: Please give details: The factory required supplier for policy or code implementation.
Land rights	
N: Does the site have all required land rights licenses and permissions *(see SMETA Measurement Criteria)*?	☒ Yes ☐ No N1: Please give details: All required land rights licenses were provided.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☒ Yes ☐ No O1: Please give details: Legal department of the factory would responsible for it per interview with management.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	☒ Yes ☐ No P1: If yes, how does the company obtain FPIC: Policy was established. And all required land rights licenses were provided for review.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	☐ Yes ☐ No NA Q1: Please give details: Not applicable for this site.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☐ No NA R1: Please give details: Not applicable for this site.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	☐ Yes ☒ No S1: Please give details: All required land rights licenses were provided.

Non–compliance:

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

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

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

1: Freely Chosen Employment

(Click here to return to summary of findings)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

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

Any other comments:
Nil

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

D: Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☒ No D1: Please describe finding: Based on worker interview, there were no any restrictions on workers' freedom to terminate employment.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☒ Not applicable E1: Please describe finding: Not applicable for this site.
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☒ No F1: Please describe finding: Based on worker interview, workers can leave the factory freely without any restrictions.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☒ Yes ☐ No ☐ Not applicable G1: If yes, please give details and category of workers affected: Factory management understood the requirement and no forced/trafficked/bonded labour was found.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No H1: Please describe finding: No restrictions on movement of the employees in the factory and employees could leave the factory freely after communication with management.

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

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

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

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

2: Freedom of Association and Right to Collective Bargaining are Respected (Click here to return to summary of findings) (Click here to return to Key Information)
ETI 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities. 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China. • Based on document review, management review and worker interview, there were 3 worker representatives in the factory, and meetings were conducted regularly by worker representatives. The meeting records were provided for review. • Workers could raise their grievances or complaint to their worker representative or management directly. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • The policy on freedom of association • Minutes of the worker representative meeting • Interview with workers and management • worker representative elected records Any other comments: Nil

A: What form of worker representation/union is there on site?	☐ Union (name) ☒ Worker Committee 3 worker representatives were elected. ☐ Other (specify) ☐ None

B: Is it a legal requirement to have a union?	☐ Yes ☒ No	
C: Is it a legal requirement to have a worker's committee?	☐ Yes ☒ No	
D: Is there any other form of effective worker/management communication channel? *(Other than union/worker committee e.g. H&S, sexual harassment)*	☒ Yes ☐ No D1: Please give details: The employees could complain to team leaders or supervisors directly or by suggestion box. D2: Is there evidence of free elections? ☒ Yes ☐ No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No E1: Please give details: The meeting rooms were provided by factory and worker committee could use it freely.	
F: Name of union and union representative, if applicable:	NA	F1: Is there evidence of free elections? ☐ Yes ☐ No ☒ N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	3 worker representatives were elected.	G1: Is there evidence of free elections? ☒ Yes ☐ No ☐ N/A
H: Are all workers aware of who their representatives are?	☒ Yes ☐ No	
I: Were worker representatives freely elected?	☒ Yes ☐ No	I1: Date of last election: Jul.22, 2020
J: Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No	
K: Were worker representatives/union representatives interviewed?	☒ Yes ☐ No If **Yes**, please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? *Specify date of last meeting; topics covered; how minutes were communicated etc.*	The meeting was conducted regularly, and the last was also conducted on Jan.28, 2021.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☒ No	

If **Yes,** what percentage by trade Union/worker representation	M1: __0__% workers covered by Union CBA	M2: __0__% workers covered by worker rep CBA
M3: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay?	☐ Yes ☒ No	

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

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

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

3: Working Conditions are Safe and Hygienic

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:
1.General Health and Safety management
•Liu Jianling/Manager was appointed as Health & Safety responsible for the site.
•Potable water was freely available in all areas.
•Sufficient clean toilets segregated by gender were available for workers.
•Ventilation, temperature and lighting were adequate for the production processes.
2. Fire Safety
•There were at least 2 exits for each work area.
•Fire-fighting equipment were adequate and checked once per month.
•Evacuation diagrams were posted at each factory workshop.
•Fire drills were organized and recorded twice per year, and the latest one was conducted on Dec.21, 2020.
3. Electrical safety
•The electrical equipment was maintained in good condition.
•There was competent electrician onsite and the training certificate was available for review.
4. Medical services
•There were adequate first aid kits in each production area and they were well stocked.
• There were adequate first aiders in the factory.

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

Details:
• Health and safety policy
• Health and safety manual
• Health and safety committee
• Fire equipment maintenance records
• Training records
• Building structure safety certificate
• Fire safety certificate
• Chemical list and MSDS for each chemical

• Fire drill records • Accident records • Interview with factory management and workers • Onsite observation Any other comments: Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No A1: Please give details: EHS policy was established in the factory and was communicated to workers regularly.
B: Are the policies included in workers' manuals?	☒ Yes ☐ No B1: Please give details: Employees' manual covered the EHS policies.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No C1: Please give details: Factory provided the Building Structure Safety Certificate or record for used building.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	☐ Yes ☒ No D1: Please give details: No PPE was provided for auditor.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	☐ Yes ☒ No E1: Please give details: No local law requirement, while, first aid kit was available in workshop.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☒ Yes ☐ No F1: Please give details: No local law requirement, while, sufficient first aider was available at the workshop.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☐ No NA G1: Please give details: Factory did not provide transport to workers.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☐ No NA H1: Please give details: No dormitory was provided.

I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	☒ Yes ☐ No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☒ Yes ☐ No J1: Please give details: Factory obtained all legally required documents.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☒ Yes ☐ No K1: Please give details: There was no banned chemicals used onsite, this was confirmed by onsite observation and document review.

Non–compliance:	
1. Description of non–compliance: ☒ NC against ETI code: ☒ NC against Local Law ☐ NC against customer Factory did not provide off-the-job occupational health examination to relevant workers. And additionally, factory provided the individual reports of occupational health examination of workers for review but did not provide the summary report of occupational health examination of workers for review. **Local law and/or ETI requirement** **Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35** For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational medical examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational medical examination shall be assumed by the employer. Employers shall not assign employees who have not undergone the pre-job occupational medical examination to operations with exposure to occupational hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational medical examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labor contacts with employees who have not undergone the off-the-job occupational medical examination. The occupational medical examination shall be conducted by medical health institutions that has obtained the Medical Device Practice License…. **ETI Based Code 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	**Objective evidence observed:** Document review Interview with factory staff

as is reasonably practicable, the causes of hazards inherent in the working environment. **Recommended corrective action:** Factory should provide off-the-job occupational health examination to relevant workers and should keep the summary report of occupational health examination of workers.	

Observation:	
1.Description of observation: Per onsite observation, there were three safety exits available for the 1st floor of office, one out of the exits was not installed with exit sign. Factory installed exit sign for it during audit and trained relevant staff. **Local law or ETI requirement:** Nil **Recommended corrective action:** Nil	**Objective evidence observed:** Onsite observation OB photo No.1 &2
2.Description of observation: Per onsite observation, three nitrogen gas cylinders were not fixed with anti-toppling devices in the workshop. Factory corrected it during audit, the gas cylinders were put at designated area and were fixed well, and factory also trained relevant staff. **Local law or ETI requirement:** Nil **Recommended corrective action:** Nil	Onsite observation OB photo No.3 &4
3.Description of observation: Per onsite observation, two ladders missed handrails in the punching workshop, the ladders were about 1.7m. factory installed handrails for the ladders and educate relevant person in charge. **Local law or ETI requirement:** Nil **Recommended corrective action:** Nil	Onsite observation OB photo No.5 &6
4.Description of observation: Based onsite observation, two painting workers were not wearing the provided activated carbon masks during operation but only wearing disposable masks. Factory required relevant workers to wear activated carbon masks and educate the related workers.	Onsite observation OB photo No.7 &8

Local law or ETI requirement: Nil **Recommended corrective action:** Nil	

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

4: Child Labour Shall Not Be Used (Click here to return to summary of findings) (Click here to Key Information)
ETI 4.1 There shall be no new recruitment of child labour. 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions. 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory would never employ and use any child labour under the age of 16 years old. • The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post. • Checks of all workers files showed that the youngest worker on site was 20 years old who was born on Jun.25, 2000 and joined in the factory Mar.20, 2020. Remark: In China, minimum age of worker is 16 years old. Workers between 16-18 are regarded as young labour **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • Policy on workers recruitment • Personnel files including the ID card copies of workers • Roster and labour contracts of all workers • Worker interview and management interview Any other comments: Nil

A: Legal age of employment:	16 years old
B: Age of youngest worker found:	20 years old
C: Are there children present on the work floor but not working at the time of audit?	☐ Yes ☒ No

D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	☐ Yes ☐ No E1: If yes, give details NA

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

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

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

5: Living Wages are Paid

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:
- The factory provided the payrolls from Feb. 2020 to Jan. 2021 and attendance records from Feb.01, 2020 to the audit day for review during the audit.
- The local legal minimum wage was RMB2020 per month hour since Aug. 01, 2018. Factory paid at least RMB2650 to workers each month.
- Xia Panpan/HR was in charge of the wage calculation, all of the workers' wages were calculated by hourly rate and the minimum wage which the factory paid to all workers met local requirements according to worker interview and contracts review.
- All workers were paid at the 20th of the following month by cash and each worker was given a pay slip and signed for their wages.
- The employees who violated the factory rules would be warned, gigged or fired without disciplinary deduction.

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

Details:
- Workers interview
- Management interview
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records
- Attendance records
- Leave records
- Resignation records
- Production records
- Social insurance website from the local labour department

Any other comments:
Nil

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

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

Good Examples observed:	
Description of Good Example (GE): Per onsite observation, factory provided free meal to workers.	**Objective Evidence Observed:** Onsite observation and interview with factory staff GE photo No.1

Summary Information

Criteria	Local Law *(Please state legal requirement)*	Actual at the Site *(Record site results against the law)*	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: *(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)*	Legal maximum: 8 hours per day, 40 hours per week	A1: 8 hours per day, 40 hours per week	A2: ☐ Yes ☒ No
B: Overtime hours: *(Maximum legal and actual overtime hours, please state if possible per day, week, and month)*	Legal maximum: 3 hours per day and 36 hours per month	B1: 0~2 hour per day 0~10 hours per week	B2: ☐ Yes ☒ No

		0~35 hours per month	
C: Wage for standard/contracted hours: *(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: RMB 2020 after Aug.1, 2018	C1: All workers' normal wages were paid in line with legal requirement. Factory paid at least RMB2650 to workers in each month.	C2: ☐ Yes ☒ No
D: Overtime wage: *(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: 150%, 200% and 300% of normal wage rate for overtime hours on weekday, weekend and statutory holiday.	D1: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on statutory holidays	D2: ☐ Yes ☒ No

Wages analysis: *(Click here to return to Key Information)*		
A: Were accurate records shown at the first request?	☒ Yes ☐ No	
A1: If **No**, why not?	NA	
B: Sample Size Checked *(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)*	10 samples from Jan. 2021 (Current); 10 samples from Dec. 2020 (Random); 10 samples from Sep. 2020 (Random).	
C: Are there different legal minimum wage grades? If **Yes**, please specify all.	☐ Yes ☒ No	C1: If **Yes**, please give details: NA
D: If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ N/A	D1: If **No**, please give details: NA
E: For the lowest paid production workers, are wages paid for standard/contracted hours	☐ Below legal min ☐ Meet	E1: Lowest actual wages found: *Note: full time employees and please state hour / week / month etc.*

<table>
<tr><td>(excluding overtime) below or above the legal minimum?</td><td colspan="2">☒ Above</td><td colspan="2">The factory paid at least RMB 2650 to workers on normal working hours.</td></tr>
<tr><td>F: Please indicate the breakdown of workforce per earnings:</td><td colspan="4">F1: ____% of workforce earning under minimum wage
F2: ____% of workforce earning minimum wage
F3: __100__% of workforce earning above minimum wage</td></tr>
<tr><td>G: Bonus Scheme found:
Please specify details:</td><td colspan="4">Bonus Scheme found:
Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.
Post bonus</td></tr>
<tr><td>H: What deductions are required by law e.g. social insurance?
Please state all types:</td><td colspan="4">Social insurance, tax.</td></tr>
<tr><td rowspan="2">I: Have these deductions been made?</td><td rowspan="2">☒ Yes
☐ No</td><td colspan="2">I1: Please list all deductions that have been made.</td><td>1.Social insurance
2. Personal income tax

Please describe: Social insurance and personal income tax was deducted from wages.</td></tr>
<tr><td colspan="2">I2: Please list all deductions that have not been made.</td><td>1. NA
2.

Please describe: NA</td></tr>
<tr><td>J: Were appropriate records available to verify hours of work and wages?</td><td colspan="4">☒ Yes
☐ No</td></tr>
<tr><td>K: Were any inconsistencies found?
(if yes describe nature)</td><td colspan="2">☐ Yes
☒ No</td><td colspan="2">K1: Type

☐ Poor record keeping
☐ Isolated incident
☐ Repeated occurrence: NA</td></tr>
<tr><td>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</td><td colspan="4">☒ Yes
☐ No
L1: Please give details: NA</td></tr>
<tr><td>M: Is there a defined living wage:
This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info:
Please see SMETA Best Practice Guidance and Measurement Criteria.</td><td colspan="4">☐ Yes
☒ No
M1: Please specify amount/time: NA</td></tr>
</table>

M2: If yes, what was the calculation method used.	☐ISEAL/Anker Benchmarks ☐Asia Floor Wage ☐Figures provided by Unions ☐Living Wage Foundation UK ☐Fair Wear Wage Ladder ☐Fairtrade Foundation Other – please give details: NA
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☒ Yes ☐ No N1: Please give details: Factory reviewed minimum wage regularly according to legal minimum changes.
O: Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No
P: Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No P1: Please give details: The factory paid basic wage equally and legal overtime wage.
Q: How are workers paid:	☒ Cash ☐ Cheque ☐ Bank Transfer ☐ Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

ETI

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

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

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

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

*6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:*
- *– this is allowed by national law;*
- *– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;*
- *– appropriate safeguards are taken to protect the workers' health and safety; and*
- *– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.*

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

Current Systems and Evidence Examined

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

Current systems:
• Through workers interview, overtime was voluntary.
• Based on attendance records from Feb.01, 2020 to the audit day provided by the factory, all sampled employees' max daily overtime hours were 2 hours, max weekly overtime working hours were 10 hours, and max monthly overtime hours were 35 hours, per workers interview, they said they seldom worked overtime.
• According to time records and worker interview, the normal working hours of production workers were from 8:00am to 17:00pm with 1 hour for meal and break.
Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:
- Factory policy on working hours
- Local and national laws

- Workers contracts
- Sample pay slips with recorded hours
- Attendance records review
- Production records to cross check working hours
- Workers and management interview

Any other comments: Nil

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

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

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

Working hours' analysis
Please include time e.g. hour/week/month

[(Go back to Key information)]		
Systems & Processes		
A. What timekeeping systems are used: time card etc.	*Describe: IC card*	
B: Is sample size same as in wages section?	☒ Yes ☐ No B1: If no, please give details	
C: Are standard/contracted working hours defined in **all** contracts/employment agreements?	☒ Yes ☐ No	*C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.* Please give details: NA
D: Are there any other types of contracts/employment agreements used?	☐ Yes ☒ No	*D1: If YES, please complete as appropriate: NA* ☐ 0 hrs ☐ Part time ☐ Variable hrs ☐ Other If "Other", Please define: NA *NA*
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	☐ Yes ☒ No	*E1: If **yes**, please detail hours, %, types of workers affected and frequency* Please give details: NA
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: ☒ 1 in 7 days ☐ 2 in 14 days ☐No If 'No', please explain:	F3: Is this allowed by local law? ☒ Yes ☐ No
	Maximum number of days worked without a day off (in sample): 6 days	
Standard/Contracted Hours worked		
	☐ Yes	G1: If yes, % of workers & frequency:

G: Were standard working hours over 48 hours per week found?	☒ No	*NA*
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	☐ Yes ☒ No	H1: If yes, please give details: *NA*
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Jan. 2020 (current); 0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Dec. 2020 (random); 0-2 hours/days; 0-10 hours/week; 0-35 hours / month in Sep. 2020 (random);	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	☐ Yes ☒ No	
K: Approximate percentage of total workers on highest overtime hours:	*___100___%*	
L: Is overtime voluntary?	☒ Yes ☐ No ☐ Conflicting Information	*L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:* Contracts stated that overtime may be requested but it was voluntary.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium	*M1: Please give details of normal day overtime premium as a % of **standard** wages:* 150% of normal wage rate for weekday overtime 200% of normal wage rate for weekend overtime 300% of normal wage rate for statutory holiday overtime for the employees of factory
N: Is overtime paid at a premium?	☒ Yes ☐ No	*N1: If yes, please describe % of workers & frequency:* 100% of workers of factory were paid for overtime wages as local law together with normal wages, on a month basis.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	☐ No ☐ Consolidated pay *(May be standard wages above minimum legal wage, with no/low overtime premium)* ☐ Collective Bargaining agreements ☐ Other NA	

complete the boxes where relevant.	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other
	NA
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	☐ **Overtime is voluntary** ☐ Onsite Collective bargaining allows 60+ hours/week ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify) NA
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	NA
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☒ No Q1: If yes, please give details:
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	☐ Yes ☒ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The factory had established policy and procedure on prohibiting discrimination. • According to management and workers interview, the factory did not discriminate workers due to their birth, Gender, age, religion, race, marital status, ethnical beliefs and political background, etc. Female workers and male workers had the same pay and working conditions as male workers. Promotion was based on workers' ability and skill. Training was based on working requirement. • There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement. • There was no evidence of sexual harassment. • No worker was required to do the examination of the hepatitis B virus and HIV. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • The factory rules • Payroll records • Attendance records • Termination records • Training records • Workers interview • Management interview Any other comments: Nil

A: Gender breakdown of Management + Supervisors *(Include as one combined group)*	A1: Male: ___60__ % A2: Female___40__ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	2
C: Is there any evidence of discrimination based on race, caste,	☐ Hiring ☐ Compensation

national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	☐ Access to training ☐ Promotion ☐ Termination or retirement ☐ No evidence of discrimination found NA C1: Please give details: No negative evidence of discrimination was identified during audit.

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

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

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

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

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

8: Regular Employment Is Provided

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

ETI

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

Additional Elements: Responsible Recruitment

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

Current Systems and Evidence Examined

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

Current systems:
• All workers were recruited by the factory directly. No labor agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified during the audit.
• All workers were required to sign the labor contracts with the factory and one copy would be issued to them.
• Based on the labor contracts review, all legal required items were contained in the contracts and no negative evidence was identified in labor contents between workers and factory.

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

Details:
- The hiring and termination procedure
- Personal files
- Payroll records were provided for review
- Labour contracts

Any other comments:
Nil

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

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

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

Responsible Recruitment

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

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

Migrant Workers: *The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity*		
A: Type of work undertaken by migrant workers:	There were no migrants from different countries. There were 39 employees from different provinces of China: Anhui, Shanxi, Hubei, Hebei and Henan province etc..	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☐ Yes ☐ No C1: Please describe finding: No deduction was confirmed during the audit.	C2: Observations: NA
D: Are Any migrant workers in skilled, technical, or management roles *Migrant Workers (this should include all migrant workers including permanent*	☒ Yes ☐ No D1: If yes, number and example of roles: Migrant Workers were distributed at each position.	

workers, temporary and/or seasonal workers)	

NON-EMPLOYEE WORKERS

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

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

D: Is there a legal contract / agreement with all agencies?	☐ Yes ☐ No NA D1: Please give details: No agency was used.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	☐ Yes ☐ No NA E1: Please give details: No agency was used.

Contractors: *Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include,* gang bosses, labor provider,	
A: Any contractors on site?	☐ Yes ☒ No A1: If yes, how many contractors are present, please give details: 0
B: If **Yes**, how many workers supplied by contractors?	0
C: Do all contractor workers understand their terms of employment?	☐ Yes ☐ No NA C1: Please describe finding: No contractor worker.
D: If **Yes**, please give evidence for contractor workers being paid per law:	NA

8A: Sub–Contracting and Homeworking [(Click here to return to summary of findings)] [(Click here to return to Key Information)]
8A.1 There should be no sub–contracting unless previously agreed with the main client. 8A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing. *Note to auditor on homeworking:* *Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.* *Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers*

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • According to management interview and workers interview, there were no any home-working activities in the factory and such information was further confirmed by factory tour. • According to factory tour observation and management interview, factory did not subcontract process to other factory, and no homeworking was identified. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** **If any processes are sub–contracted – please populate below boxes** Details: • Onsite observation • Materials in/out records • Management interview • Workers interview Any other comments: Nil

Non–compliance:

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

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

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

Summary of sub–contracting – if applicable ☒ Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	☐ Yes ☐ No A1: Please describe:
B: If sub–contractors are used, is there evidence this has been agreed with the main client?	☐ Yes ☐ No B1: If **Yes**, summarise details:
C: Number of sub–contractors/agents used:	

D: Is there a site policy on sub–contracting?	☐ Yes ☐ No D1: If **Yes**, summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

<table>
<tr><th colspan="4">Summary of homeworking – if applicable
☒ Not Applicable please x</th></tr>
<tr><td>A: If homeworking is being used, is there evidence this has been agreed with the main client?</td><td colspan="3">☐ Yes
☐ No
A1: If Yes, summarise details:</td></tr>
<tr><td>B: Number of homeworkers</td><td>B1: Male:</td><td>B2: Female:</td><td>Total:</td></tr>
<tr><td>C: Are homeworkers employed direct or through agents?</td><td colspan="2">☐ Directly
☐ Through Agents</td><td>C1: If through agents, number of agents:</td></tr>
<tr><td>D: Is there a site policy on homeworking?</td><td colspan="3">☐ Yes
☐ No</td></tr>
<tr><td>E: How does the site ensure worker hours and pay meet local laws for homeworkers?</td><td colspan="3"></td></tr>
<tr><td>F: What processes are carried out by homeworkers?</td><td colspan="3"></td></tr>
<tr><td>G: Do any contracts exist for homeworkers?</td><td colspan="3">☐ Yes
☐ No

G1: Please give details:</td></tr>
<tr><td>H: Are full records of homeworkers available at the site?</td><td colspan="3">☐ Yes
☐ No</td></tr>
</table>

9: No Harsh or Inhumane Treatment is Allowed [(Click here to return to summary of findings)](#)
ETI 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☒ Yes ☐ No A1: Please give details: Suggestion box.
B: If **Yes**, are workers aware of these channels and have access? Please give details.	Based on worker interview, they were aware of the suggestion box.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box
D: Which of the following groups is there a grievance mechanism in place for?	☒ Workers ☐ Communities ☐ Suppliers ☐ Other D1: Please give details: Workers could raise grievances to worker representative, supervisors, team leaders, managers directly.
E: Are there any open disputes?	☐ Yes ☒ No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	☒ Yes ☐ No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	☒ Yes ☐ No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	☒ Yes ☐ No H1: If no, please give details

I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☒ No I1: If yes, please give details

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure. • The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past. • There was an internal process for grievance, which was an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • The relevant policy on prevention of harassment and abuse. • Internal grievance procedure documentation • Training records • Worker interview and management interview Any other comments: Nil

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

Observation:

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

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

10. Other Issue areas: 10A: Entitlement to Work and Immigration *(Click here to return to NC–table)*
Additional Elements 10A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • Based on document review, management and worker interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region. The youngest age was over 20 years old. All workers were recruited directly by the factory, and no agency was involved in the factory's recruitment processes. • Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment. • No agency staff or foreign worker was used by the factory. • The factory collected related laws on entitlement to work and immigration. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: • Hiring procedure • Personnel files and labor contracts • Employee handbook • Employee roster • Worker interview and management interview Any other comments: Nil

Non–compliance:

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

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

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

10. Other issue areas 10B4: Environment 4–Pillar *(Click here to return to summary of findings)* *To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar*
B.4. Compliance Requirements 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details). 10B4.7 Businesses shall make continuous improvements in their environmental performance. 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance. **B4. Guidance for Observations** 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations. *Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)*

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: • The factory provided the EIA report, EIA approval and Environment acceptance approval for review. • The factory established environmental management system, risk assessment was conducted accordingly; in addition, the factory established environment targets and took measures and actions to reduce environmental impact. • Based on workers interview, they were trained on environmental protection. • The factory had procedure on environment protection and Shen Wenhua/Admin Manager was appointed to be responsible for the compliance of environment requirement. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:
EIA report
EIA approval
Environment acceptance approval
Management interview
Emergency action procedures
Environment manual and procedures
Environment risk assessment report
Worker and management interviews
Site tour

Any other comments:
Nil

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

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

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

Environmental Analysis *(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)*	
A: Is there a manager responsible for Environmental issues (Name and Position):	Shen Wenhua/Admin Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☒ Yes ☐ No B1: Please give details: The environmental risk assessment was conducted regularly and the latest one was conducted in Dec. 2020.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	☐ Yes ☒ No C1: Please give details: Factory did not obtain such certificate.
D: Does the site have an Environmental policy? *(For guidance, please see Measurement criteria)*	☒ Yes ☐ No D1: If yes, is it publicly available? Yes
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	☒ Yes ☐ No E1: Please give details: The key impacts from their operation were addressed.
F: Does the site have a Biodiversity policy? *(For guidance, please see Measurement criteria)*	☐ Yes ☒ No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please gives details. *(For guidance, please see Measurement criteria)*	☐ Yes ☒ No G1: Please give details: No such system.
H: Have all legally required permits been shown? Please gives details.	☒ Yes ☐ No H1: Please give details: Factory provided EIA report, EIA approval and environment acceptance approval for review.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☒ Yes ☐ No ☐ N/A I1: Please give details: The factory has a documentation process to record hazardous chemicals used in the manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☒ Yes ☐ No J1: Please give details: There was a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	☒ Yes ☐ No K1: Please give details: The factory established reduction targets for water consumption and

and discharge, waste, energy and green-house gas emissions:	discharge, waste, energy and green-house gas emissions.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☒ Yes ☐ No L1: Please give details: The factory monitored volume of waste that is recycled.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	☒ Yes ☐ No M1: Please give details: The factory had a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	☒ Yes ☐ No N1: Please give details: The factory has checked that all business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _______2019_______	Current Year: Please state period: _____2020______
Electricity Usage: *Kw/hrs*	2420200	2591270
Renewable Energy Usage: *Kw/hrs*	0	0
Gas Usage: *Kw/hrs*	0	0
Has site completed any carbon Footprint Analysis?	☐ Yes ☒ No	☐ Yes ☒ No
If **Yes**, please state result	NA	NA
Water Sources: *Please list all sources e.g. lake, river, and local water authority.*	• Tap water • •	• Tap water • •
Water Volume Used: *(m³)*	3680	3420
Water Discharged: *Please list all receiving waters/recipients.*	• Municipal pipe • • •	• Municipal pipe • • •
Water Volume Discharged: *(m³)*	3680	3420
Water Volume Recycled:	0	0

(m³)		
Total waste Produced *(please state units)*	800T	750T
Total hazardous waste Produced: *(please state units)*	1T	1.1T
Waste to Recycling: *(please state units)*	0	0
Waste to Landfill: *(please state units)*	0	0
Waste to other: *(please give details and state units)*	800T By local office of environment and sanitation	750T By local office of environment and sanitation
Total Product Produced *(please state units)*	130000000pcs	150000000pcs

10C: Business Ethics – 4-Pillar Audit

(Click here to return to summary of findings)

To be completed for a 4–Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:
- The factory established Business Practices (Against corruption and bribery, unfair competition, etc.) and
- train workers.
- The factory conducted Business Practices to its suppliers.
- There was an internal grievance process, which is an anonymous email address.
- Sheng Xingxing/Manager was responsible for business ethics.

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

Details:
- The company business ethics policy including: Bribery Corruption
- Training records
- Worker handbook
- Reports from Anonymous email account

Any other comments: Nil

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

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

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

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☒ Internal Policy ☒ Policy for third parties including suppliers

	A1: Please give details: The factory had a business ethic policy, which was communicated with employees and implemented internally, externally.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☒ Yes ☐ No B1: Please give details: The factory established policies on Business Ethics, and provided training internally for relevant workers, also required supplier to follow.
C: Is the policy updated on a regular (as needed) basis?	☒ Yes ☐ No C1: Please give details: The factory updated the policies regularly.
D: Does the site require third parties including suppliers to complete their own business ethics training	☒ Yes ☐ No D1: Please give details: Records were provided.

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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

Photo Form

NC

Nil	*Nil*	*Nil*
Nil	Nil	Nil

OB

		
No.1 No safety exit sign was installed for one out of three safety exit of office building.	No.2 Improved onsite	No. 3 Gas cylinders were not fixed with anti-toppling devices.

		
No. 4 Improved onsite	No. 5 No handrail was installed for ladder.	No. 6 Improved onsite

		*Nil*
No. 7 Workers were not wearing activated carbon masks.	No. 8 Improved onsite	Nil

GE

	*Nil*	*Nil*
No. 1 Factory provided free meal to workers.	Nil	Nil

General Site Photos

		
Factory gate and name	GPS	GPS information

		
Factory building	Incoming materials	Cutting

		
Rolling	Welding	Painting

		
Heating	End sealing	Inspection

		
Packing	Finished goods	Material feeding

Moulding

Glue injection and drying

Inspection and packing


Punching workshop

Safety exit & Evacuation indicating sign & safety exit sign

Evacuation map

Fire extinguishers

Evacuation route

Chemical warehouse

X-eliminator	Chemical safety label	Exhaust fan
		
PPE warning sign	None-smoking sign	MSDS was poste onsite
		
Eye wash facility	Electric cabinet	Notice board
		
Fire emergency responders	Fire extinguisher	Fire facility inspection records
		

Fire alarm	Fire hose	First aid kit

Smoke detector

Fire alarm test


Fire hydrant test


Worker was wearing PPE

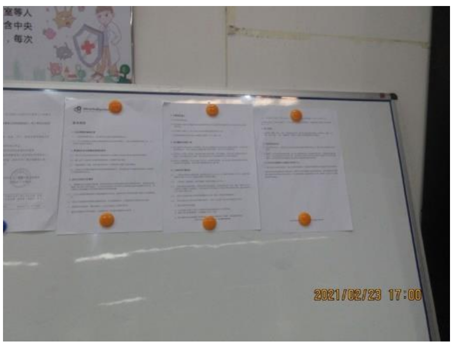
Evacuation stairs

Canteen

Kitchen

Suggestion box

Toilet



Drinking water	ETI code was posted onsite	Attendance recorder

For more information visit: Sedexglobal.com

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

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

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

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

Click here for Supplier (B) members:

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

Click here for Auditors:

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