




Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 414591517	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 414598928
Business name (Company name):	Taizhou Yibai Autoparts Co., LTD		
Site name:	Taizhou Yibai Autoparts Co., LTD 台州亿百汽车零部件有限公司		
Site address: <i>(Please include full address)</i>	Zhongshan Village, Chumen Town, Yuhuan City, Zhejiang Province 浙江省玉环市楚门镇中山村	Country:	China
Site contact and job title:	Mr. Hui Zhang / HR Manager		
Site phone:	86-13386571728	Site e-mail:	1923069707@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	17/February/2022		

Audit Company Name & Logo:  TÜVRheinland® Precisely Right. TUV Rheinland (Shanghai) Co., Ltd.	Report Owner (payer): Taizhou Yibai Autoparts Co., LTD
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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): John Huang
Lead auditor: John Huang APSCA number: CSCA 21702977
Lead auditor APSCA status: In good standing
Team auditor: N/A APSCA number: N/A
Interviewers: John Huang APSCA number: CSCA 21702977

Report writer: John Huang
Report reviewer: Ina Zeng

Date of declaration: 17/February/2022

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

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

Summary of Findings

Issue <i>(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.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	<ul style="list-style-type: none"> None was observed.
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3	0	0	<ul style="list-style-type: none"> About 70% of workers exposed to high noise in the metal machining workshop did not wear ear plugs. No safe lock was installed for the hooks of one crane. There was no anti-leakage facility for 30% of liquid chemicals.
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
5. Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Insufficient social insurance.
6. Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> Monthly overtime hours exceed 36 hours.

7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> The factory failed to provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
10A	<u>Entitlement to Work</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> None was observed.
10B2	<u>Environment 2-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	<ul style="list-style-type: none"> The factory failed to provide hazardous waste transfer records of past 12 months for review.
10B4	<u>Environment 4-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A
10C	<u>Business Ethics</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	<ul style="list-style-type: none"> N/A

General observations and summary of the site:

Audit Process:

This periodic audit was conducted by TUV Rheinland. One auditor assessed the factory's operations against the ETI Base Code and local legislations on a sampling basis in 1 day. The attitude of management of factory was cooperative and constructive. Related documents and procedures were available, management knew basic SMETA requirement.

Overview of opening meeting:

At 08:30 am, one auditor entered the factory then held an opening meeting according to the ETI Base Code; the factory management was present at the meeting. They stated that they would be co-operative with this audit.

Summary of Findings (positive and negative):

Positive:

1. The factory had established social responsibility policies, procedures and work instructions to keep compliance with ETI code.
2. For forced labour issue, the worker confirmed no "deposit" was required and their original documents such as ID cards were kept by themselves.
3. There was no fine deducted as disciplinary measures but only verbal warning.
4. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal, and retirement found.
5. No negative evidence of mental/physical abuse, sexual or other harassment and verbal abuse was identified during the audit.
6. Right of association or collective bargaining was not restricted.
7. Internal CSR audits and management review were conducted.
8. There was no child labour or young worker identified during document review, plant tour and worker interviews.
9. The factory signed the labour contracts with all employees and sent a copy to them.

Negative:**Finding 1:**

As per onsite observation, it was noted about 70% of workers exposed to high noise in the metal machining workshop did not wear ear plugs which were provided by the factory.

Finding 2:

As per onsite observation, it was noted that no safe lock was installed for the hooks of one crane in the cutting workshop.

Finding 3:

It was noted that there was no anti-leakage facility (e.g. secondary container) in the chemicals usage and storage areas for 30% of liquid chemicals, such as cutting compound etc.

Finding 4:

Not all workers were provided with social insurance. There were total 64 employees hired at the factory during audit date, 11 employees were retirees hired to work again, 10 employees were new hired after Jan. 2022 and 2 employees were resigned since Jan. 2022, so the factory should provide social insurance to 45 employees in Jan. 2022. The factory provided social insurance receipts from Feb. 2021 to Jan. 2022 for review, As per the social insurance receipts in Jan. 2022 and management review, 34 employees were not provided with retirement insurance, medical insurance, unemployment insurance and child-bearing insurance, 2 employees were not provided injury insurance in Jan. 2022.

Remark: The factory provided commercial insurance to all employees were retirees hired to work again and employees who were not provided with injury insurance, which was valid from 26 Feb. 2021 to 25 Feb. 2022.

Finding 5:

Based on attendance records from 1 Mar. 2021 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in each months. Three sampled months Dec. 2021 (current paid month), May 2021 and Sep. 2021 were randomly selected. It was found that 10 out of 10 workers' monthly overtime was 78-86 hours in Dec. 2021, 10 out of 10 workers' monthly overtime was 72-80 hours in May 2021 and 10 out of 10 workers' monthly overtime was 70-82 hours in Sep. 2021.

Finding 6:

As per onsite observation, management interview and document review, the plating process was sub-contracted, factory management stated that main client was aware of this situation, but the factory failed to provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.

Finding 7:

The factory failed to provide hazardous waste transfer records of past 12 months for review, such as waste chemicals and waste empty containers with chemicals.

Please refer to the details of non-compliances in the individual sections.

Observation:

Nil

Good Example:

Nil

Remark:

The factory was located at "No. 7 West Huanbao Road, Zhongshan Industrial Zone, Chumen Town, Yuhuan City, Zhejiang Province, China", however, the address on business licence was "Zhongshan Village, Chumen Town, Yuhuan City, Zhejiang Province, China". The factory wanted to use the address of business license "Zhongshan Village, Chumen Town, Yuhuan City, Zhejiang Province, China" on the report which was same as "No. 7 West Huanbao Road, Zhongshan Industrial Zone, Chumen Town, Yuhuan City, Zhejiang Province, China".

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

Site Details

Site Details			
A: Company Name:	Taizhou Yibai Autoparts Co., LTD		
B: Site name:	Taizhou Yibai Autoparts Co., LTD		
C: GPS location: (If available)	GPS Address: Zhongshan Village, Chumen Town, Yuhuan City, Zhejiang Province, China	Latitude: N28°13'37" Longitude: E121°16'19"	
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: 91331021568168826H Valid from 12 Jan. 2011 to 11 Jan. 2031.		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of auto parts.		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Taizhou Yibai Autoparts Co., LTD. is located at Zhongshan Village, Chumen Town, Yuhuan City, Zhejiang Province, China. The factory owned one 5-storey building and used as office, production and warehouse.		
	Production Building no 1	Description	Remark, if any
	Floor 1	Raw materials warehouse, cutting and metal machining workshop	The building was built in Jan. 2021.
	Floor 2	Metal machining workshop and mould warehouse	Nil
	Floor 3	Warehouse and office	Nil
	Floor 4	Finished goods warehouse, assembling and packing workshop	Nil
	Floor 5	Warehouse	Nil
	Is this a shared building?	No	Nil
	The factory did not provide canteen and dormitory to employees. Total 64 employees were currently working in the factory, and which included 60 workers and 4 managements. There were 22 local workers in this factory. Other migrant workers coming from		

	<p>different provinces of China. The main processes were: Cutting, metal machining, assembling and packing. Plating process was subcontracted.</p> <p>Document reviewed and management interviewed, the workers of CNC machining center worked for 5 days a week in 2 shifts, the 1st shift was from 07:30-19:30; the 2nd shift was from 19:30-07:30. 2 hours for meal breaks and 2 hours for overtime working. Other workers worked for 5 days a week in 1 shift. The normal working hours were from: 07:30-11:00; 12:00-16:30, if OT from 16:30-18:30. Saturdays was calculated as overtime, Sunday was guaranteed as rest. Employees' wages were calculated on hourly basis. Electronic attendance record system was used to record working time in factory. Wage paid by cash at or before the 30th of the following month. The latest payment cycle was in Dec. 2021.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: The factory buildings were good condition. No large cracks were observed.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: The factory had provided construction project completion acceptance checks for its building.</p>
<p>G: Site function:</p>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season.</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>The main products manufactured by the factory are auto parts.</p> <p>The main production processes are listed as follows: Cutting, metal machining, assembling and packing.</p> <p>The main machine list of the factory is as following: 10 CNC machining centers, 70 CNC lathes, 6 cutting machines, drilling machines and etc.</p>

<p>J: What form of worker representation / union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) worker representative in the factory <input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers None was observed.</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A, no accommodation buildings in the factory.</p>

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:30 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: N/A A4: Day 2 Time out: N/A	A5: Day 3 Time in: N/A A6: Day 3 Time out: N/A
B: Number of auditor days used:	One auditor in 1 day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Hui Zhang / HR Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	19/April/2021		
J: Previous audit type:	Full initial audit-2 Pillars		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

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

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	7	0	0	21	0	0	0	28
Worker numbers – female	15	0	0	17	0	0	0	32
Total	22	0	0	38	0	0	0	60
Number of Workers interviewed – male	1	0	0	4	0	0	0	5
Number of Workers interviewed – female	2	0	0	3	0	0	0	5
Total – interviewed sample size	3	0	0	7	0	0	0	10



A: Nationality of Management	China	
<p>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.</p>	<p>Nationalities: B1: Nationality 1: _____ China B2: Nationality 2: _____ N/A B3: Nationality 3: _____ N/A</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: China ____100%__ C1: approx % total workforce: Nationality 2 __0%__ C2: approx % total workforce: Nationality 3 __0%__</p>	
D: Worker remuneration (management information)	<p>D: ____0__% workers on piece rate D1: ____100__% hourly paid workers D2: ____0__% salaried workers</p> <p>Payment cycle: D3: ____0__% daily paid D4: ____0__% weekly paid D5: ____100__% monthly paid D6: ____0__% other D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 workers in 1 group.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3 D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified during auditing.
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	All of the interviewees were satisfied with the factory and no compliant information was raised.
I: What did the workers like the most about working at this site?	Most workers said they were satisfied with working condition, the relationships between workmates and management was good.
J: Any additional comment(s) regarding interviews:	Nil
K: Attitude of workers to hours worked:	Workers wanted to work more overtime to earn more money and workers stated overtime was voluntary.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

6 employees were selected for the individual interview and 4 employees in 1 group were selected for the group interview, the workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

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

2 worker representatives were elected by workers freely. The worker representative was favourable with the management and factory environment. All the association activities were supported by the factory. No any negative information was observed.

O: Attitude of managers:

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

The factory management showed a positive attitude to this audit during the whole process. All necessary areas were allowed access for tour and a private room was arranged for employees' interview. The management agreed all non-compliances found in audit and willing to take corrective actions for the findings.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory implemented and maintained systems for delivering compliance to human rights. And factory trained human rights basic needs to their employees.
2. Mr. Hui Zhang / HR Manager was appointed as responsible personal for the implementation of standards concerning Human rights.
3. The factory had established social responsibility policies, procedures and work instructions to compliance with standards concerning Human rights.
4. The factory communicated standards concerning Human rights to their suppliers and provided the questionnaire of standards concerning Human rights through their supply chain.
5. Internal CSR audit was conduct on 17 Jun. 2021 and management review was conducted on 08 Jul. 2021 in the factory.
6. 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:

Employee manual

CSR manual and procedures

Suppliers management procedure

Internal CSR audit records and management review records

Training records

Worker interview

Any other comments:
Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory implemented and maintained systems for delivering compliance to human rights.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: One senior manager was responsible for implementing standards concerning Human rights. Name: Mr. Hui Zhang Job title: HR Manager</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Confidentially reporting such as through workers' representatives directly or wrote anonymous letter to the suggestion box or called the telephone of the factory boss directly. And the prevention of retaliation procedure was established in the factory.</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory had established workers' privacy information protection procedure in the factory.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: None was observed.</p> <p>Local law or ETI/Additional elements / customer specific requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good examples observed:

Description of Good Example (GE):
Nil

Objective Evidence Observed:
Not Applicable

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: 2021 ___5___ %	A2: This year: 2022 ___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 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	3%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2021 ___0.5___ %	C2: This year: 2022 ___0___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The factory maintained complete accidents handling and tracking system. There was no accident happened in the past year.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2021 Number: 0	F2: This year: 2022 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: 2021 0	H2: This year: 2022 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
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0B: Management system and Code Implementation
[\(Click here to return to summary of findings\)](#)

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

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

Current systems:

1. The factory had established social responsibility policies, procedures and work instructions to comply with this code. Internal CSR audit and management review was conducted in the factory.
2. The factory implemented and maintained systems for delivering compliance to this Code.
3. Legally business license was provided for review, the scope of business activity and address were consistent with the business license.
4. Mr. Hui Zhang / HR Manager was appointed as responsible personal for the implementation of the code.
5. The factory had communicated this code to their suppliers and had provided the questionnaire of this Ethical Code through their supply chain.
6. The factory had communicated the ETI base code to their employees.

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

Details:
 Employee manual
 CSR manual and procedures
 Suppliers management procedure
 Internal CSR audit records and management review records
 Training records
 Worker interview
 Business License

Any other comments:
 Nil

Management Systems:	
<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>A1: Please give details: Searched for the information from web site, communicated with management representative and interviewed with workers, not any non-compliance with regulations were raised in the past 12 months.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory established procedures such as Non-child labor, Non-prison labor and etc. to prohibit employing child labour and prison labour. Also, the factory established some policies to prohibit discrimination, harassment & abuse.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Such policies and procedures were trained to management and employees, and during this audit no child was detected, and no cases of forced labor, discrimination, harassment & abuse was checked. This was also verified by workers and management interview.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: Managers and workers had received training in the standards for forced labour, child labour, discrimination, harassment & abuse.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: The factory had provided the training to management and workers. The related training records were provided for review. As per interview with employee, they knew the policy and procedure according to ETI code.</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i></p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F1: Please give details: No internationally recognized system certificate was provided by the factory.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details: One Manager was responsible for personnel affairs.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	H1: Please give details: Mr. Hui Zhang / HR Manager was appointed as responsible personal for the implementation of the code.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Workers' privacy information was protected in the factory.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory established prevention disclosure procedure to ensure the confidential information was kept confidential.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had conducted the risk assessment to evaluate the effectiveness of the policy and procedure.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory had addressed issues found by risk assessments and set up the preventative action for similar non-compliance.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Supplier management procedure included labour standards were established in the factory.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Required land rights licenses and permissions were provided by the factory.
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: There was system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A. The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from

	governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The facility site compensated the owner/lessor for the land prior to the facility being built or expanded.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The facility demonstrated that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No evidence of illegal appropriation of land for facility building or expansion of footprint.

Non-compliance:	
<p>1. Description of non-compliance:</p> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed. Local law and/or ETI requirement: Not Applicable Recommended corrective action: Nil	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed. Local law or ETI requirement: Not Applicable Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Not Applicable</p>

1: Freely Chosen Employment

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. No forced, bonded or involuntary prison labour was identified during the audit.
2. The workers were not required to lodge deposits or their Identity papers to the factory at the beginning of employment.
3. All workers were free to move in the workplace, took restroom and water breaks without restrictions.
4. The factory did not restrict workers' freedom and workers could leave the factory freely after shift ends.
- 5 Worker could freely resign after communication with management or fill resign application form in advance of 30 days. 10 out of 10 sampled randomly interviewed workers confirmed they were free to resign after reasonable notice. Such as 30 days' notice in advance for the formal workers.
6. The factory established procedures to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.

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

Details:

- Recruitment policy / procedure
- Employees manual
- Employee labour contract
- Employee personnel file with ID copy
- Employee 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: The factory did not restriction workers' freedom to terminate employment. Worker could freely resign after communication with management or fill resign application form in advance of 30 days.
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'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: The factory did not restrict workers' freedom and workers could leave the factory freely after shift ends.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory had learned the risks of forced labour and conducted assessment in their supplier chain.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory established procedures such as Non-forced labour to prohibit employing forced labour.

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None was observed. Local law and/or ETI requirement Not Applicable Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed. Local law or ETI requirement:</p>	<p>Objective evidence observed: Not Applicable</p>

<p>Not Applicable</p> <p>Comments: Nil</p>	
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Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Not Applicable</p>

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. Right of association or collective bargaining was not restricted.
- 2. 2 worker representatives were elected by workers on 04 Jan 2021. The factory carried out the communication meeting regularly. The meeting between management and worker representative was held in the factory, and the meeting records were provided for review.
- 3. According to payroll review, and workers interview, neither workers nor their representatives were discriminated against or suffer other repercussions because of freely exercise their right to organize.
- 4. On the audit day, one worker representative was present during the audit and one worker representative was interviewed by the auditor.

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

Details:

- Freedom of association procedure
- Workers representatives selection procedure and selection record
- Meeting minutes between management and worker representative
- Worker representative's interview
- Worker interview

Any other comments:

Nil

A: What form of worker representation/union is there on site?

- Union (name)
- Worker Committee
- Other (specify) Worker representative in the factory.
- 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: 2 worker representatives were elected by workers themselves to represent workers to carry out the communication meeting with management regularly. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Meeting room for communication with management regularly was available.	
F: Name of union and union representative, if applicable:	N/A. No labour union was established in the factory.	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker representatives and suggestion box	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Based on interview with sampled employees, they knew their worker representative.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 04 Jan 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 worker representative was interviewed during audit.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Meetings were held regularly between the worker representative and factory management. According to document review and workers interview, the latest meeting was conducted on 10 Jan. 2022 with topic of workers' health and safety.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	M1: ____% workers covered by Union CBA N/A	M2: ____% workers covered by worker rep CBA N/A
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective evidence observed: Not Applicable</p>

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:

Through on-site observation:

- 1. Evacuation routes were clean and evacuation plans were posted at all production areas.
- 2. The ventilation, temperature and lighting in the production workshops were appropriate.
- 3. Adequate exits and adequate fire facilities such as fire extinguishers and fire hydrant were installed in the factory and inspected monthly.
- 4. Sufficient First aid kits with medicine were equipped at each production floor.
- 5. Fire alarm system and electrical equipment were installed and inspected monthly.
- 6. Clean and sufficient toilets were provided in the factory.
- 7. No dormitory, kitchen and canteen were provided by the factory.

Through document review, workers interview and management interview:

- 1. Mr. Hui Zhang / HR Manager was in charge of the safe and hygienic of the working conditions.
- 2. Construction project completion acceptance checks had been provided by the factory for review.
- 3. Construction fire control checks had been provided by the factory for review.
- 4. The factory had established health and safety policy. The factory maintained complete accidents handling and tracking system.
- 5. Training of health and safety was provided to all workers
- 6. The factory had one part-time electrician with electrician certificate was in charge of electrical maintenance and safety inspection.
- 7. Trained first aiders trained by Red Cross were available in the factory for first aid service.
- 8. The factory provided safety training certificates of production unit administrators for review.
- 9. Factory conducted fire training and joined fire drills for all employees in the factory, and the last fire drills were conducted on 17 Nov. 2021.
- 10. The drinking water inspection report was provided for review and all of the indexes showed acceptable.
- 11. Risk assessment for new and expectant mothers was included in Safety Risk Assessment Management Rules.

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

Details:

- Health, safety, environmental policy and procedures
- Appointment letter
- Training records
- Risk assessment records
- Management certificate of production safety
- Electrician certificate
- First aid certificate
- Fire equipment inspection records
- Emergency preparedness plan
- Emergency evacuation records
- Work-related injury/incident / illness record and analysis

Any other comments:
Nil

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory established Health & Safety policies and procedures and conducted health and safety training for employees every year.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Health & Safety policies were included in worker's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Per factory tour, there was not any structural addition without required permits/inspections.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: During factory tour, auditor was informed on H&S and was provided with personal protective equipment.</p>
<p>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.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: There was no medical room in the factory, but the first aid kits were installed in the production areas.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details:</p>

	2 first aiders trained were available in the factory for first aid service.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport was provided by the factory.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A. No dormitory 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Health and safety risk assessment procedure was established and risk identification, assessment and control action list had worked out. The factory provided the risk assessment list for reviewing and effective actions were recorded.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J1: Please give details: The factory failed to provide hazardous waste transfer records of past 12 months for review, such as waste chemicals and waste empty containers with chemicals.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory learned the requirements on environmental standards by their customers to accord with their requirements.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: As per onsite observation, it was noted about 70% of workers exposed to high noise in the metal machining workshop did not wear ear plugs which were provided by the factory.</p> <p>Local law and/or ETI requirement ETI 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 as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Local law: Law of the PRC on Work Safety, Article 45 Production and business units must provide employees with labor protection products that comply with national standards or industry standards, and supervise and educate employees to wear and use them in accordance with the rules of use.</p>	<p>Objective evidence observed: Per factory tour</p> <p>Please refer to NC photo 1</p>

Recommended corrective action:

It is recommended that employees should be trained and enforced to use Personal Protection Equipment properly.

2. Description of non-compliance:

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

As per onsite observation, it was noted that no safe lock was installed for the hooks of one crane in the cutting workshop.

Local law and/or ETI requirement

ETI 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 as is reasonably practicable, the causes of hazards inherent in the working environment.

Local Law: The General Design Principles for the Safety and Sanitation of Production Devices (GB5083-1999), Article 6.1.4.

If the kinetic energy or potential energy of the movable parts (including its load) may cause danger, it must be equipped with speed limiting, anti-removal or anti-reversal devices.

Recommended corrective action:

The factory should install safe lock for all the hooks of crane.

3. Description of non-compliance:

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

It was noted that there was no anti-leakage facility (e.g. secondary container) in the chemicals usage and storage areas for 30% of liquid chemicals, such as cutting compound etc.

Local law and/or ETI requirement

ETI 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 as is reasonably practicable, the causes of hazards inherent in the working environment.

Local Law: Regulations on the Safety Management of Dangerous Chemicals, Article 20

The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

Objective evidence observed:

Per factory tour

Please refer to NC photo 2

Objective evidence observed:

Per factory tour

Please refer to NC photo 3

<p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that the anti-leakage facility (e.g. secondary container) is used for the liquid chemicals.</p>	
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Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The facility establishes a policy that would never employ and use any child labour under the age of 16 years old. The factory kept copies of ID cards with employment history.
- 2. The factory has established effective procedure to verify the workers' ages during the recruitment. All applicants had to fill application form during recruiting, and all information identified in the application form should be verified.
- 3. The factory's one manager to interview and check ID cards to verify ages during the recruitment of workers.
- 4. Review the workers' roster, workers' personnel files, labour contracts, employee interview and site observation, no child labour was employed in the factory. The youngest worker was above 18 years old.
- 5. The factory has established forbidden child policy and child labour remedy policy.

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

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

Details:

- Recruitment system
- Employees roster
- Employee personnel files with employee ID copy
- Labour contracts
- Employee interview

Any other comments:

Nil

A: Legal age of employment:	16 years old Article 15 of China Labor Law: The employer is strictly forbidden to hire labor younger less than 16 years old.
B: Age of youngest worker found:	About 18 years old (born on 11 Feb. 2004 and joined in the factory on 12 Feb. 2022).

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No child was identified during audit.
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)	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details N/A

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The local minimum wage standard for full-time work was set at RMB2070 per Month equivalent to RMB 11.9 per hour (2070/21.75/8) since 1st Aug. 2021, RMB1800 per Month equivalent to RMB 10.34 per hour (1800/21.75/8) since 1st Dec. 2017.
2. Payrolls from Mar. 2021 to Dec. 2021 were reviewed during the audit. As shown in the payroll and verified through worker interviews, wage was calculated at hourly rate. Based on provided payroll records, the minimum wage paid was RMB11.9 per hour (11.9*8*21.75) equivalent to RMB 2070 per month.
3. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
4. In Employee Handbook, annual leave, statutory holiday, sick leave, marriage leave, maternity leave and funeral leave were defined. And through payroll and leave records review, these paid leaves were provided to workers.
5. Based the records provided by the factory, all employees were paid correctly for their overtime wages, 150% and 200% of normal wage rate was paid for overtime work on normal days and rest days respectively. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays will be paid by 300% of normal wage).
6. All workers were paid by cash at or before 30th of the following month. The latest pay period was Dec. 2021.
7. Through document review and employee interview, the numbers of workers on attendance and payroll records were consistent with the number of workers in the employee register. The calculated period was from 1st to the end of every month.
8. Not all workers were provided with social insurance. There were total 64 employees hired at the factory during audit date, 11 employees were retirees hired to work again, 10 employees were new hired after Jan. 2022 and 2 employees were resigned since Jan. 2022, so the factory should provide social insurance to 45 employees in Jan. 2022. The factory provided social insurance receipts from Feb. 2021 to Jan. 2022 for review, As per the social insurance receipts in Jan. 2022 and management review, 34 employees were not provided with retirement insurance, medical insurance, unemployment insurance and child-bearing insurance, 2 employees were not provided injury insurance in Jan. 2022.
Remark: The factory provided commercial insurance to all employees were retirees hired to work again and employees who were not provided with injury insurance, which was valid from 26 Feb. 2021 to 25 Feb. 2022.

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

Details:

- Payroll records from Mar. 2021 to Dec. 2021
- Attendance records from Mar. 2021 to the audit date
- Leave Policy
- Employee Handbook
- Leaving records
- Worker interview
- Social insurance payment certifications

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Not all workers were provided with social insurance. There were total 64 employees hired at the factory during audit date, 11 employees were retirees hired to work again, 10 employees were new hired after Jan. 2022 and 2 employees were resigned since Jan. 2022, so the factory should provide social insurance to 45 employees in Jan. 2022. The factory provided social insurance receipts from Feb. 2021 to Jan. 2022 for review, As per the social insurance receipts in Jan. 2022 and management review, 34 employees were not provided with retirement insurance, medical insurance, unemployment insurance and child-bearing insurance, 2 employees were not provided injury insurance in Jan. 2022.

Remark: The factory provided commercial insurance to all employees were retirees hired to work again and employees who were not provided with injury insurance, which was valid from 26 Feb. 2021 to 25 Feb. 2022.

Local law and/or ETI requirement:

ETI Code 5.1

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

Local Law: Social Insurance Law of the People's Republic of China

Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees.

Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.

Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees.

Objective evidence observed:

Document review and management interview

<p>Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.</p> <p>Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p> <p>Recommended corrective action: The factory should purchase social insurance for all workers according to the law.</p>	
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Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: maximum: 8 hours per day and 40 hours per week	A1: 8 hours per day and 40 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours per day and 36 hours per month	B1: Maximum 2 hours overtime per day if needed Maximum 20 hours overtime per week Maximum 86 hours overtime per month.	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<p>C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: RMB1800 per month equivalent to RMB 10.34 per hour (1800/21.75/8) since 1st Dec. 2017. RMB2070 per month equivalent to RMB 11.9 per hour (2070/21.75/8) since 1st Aug. 2021</p>	<p>C1: Minimum RMB 11.9 per hour.</p>	<p>C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i></p>	<p>Legal minimum: 150%, 200%, 300% of normal rate should be compensated for overtime on normal working days, rest days and statutory holidays.</p>	<p>D1: Overtime hours on normal days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays will be paid by 300% of normal wage)</p>	<p>D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

<p style="text-align: center;">Wages analysis: (Click here to return to Key Information)</p>	
<p>A: Were accurate records shown at the first request?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>A1: If No, why not?</p>	<p>N/A</p>
<p>B: Sample Size Checked</p>	<p>Wage list and attendance for</p>

<p>(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)</p>	<p>10 samples from May 2021 (random month) 10 samples from Sep. 2021 (random month) 10 samples from Dec. 2021 (current paid month)</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>C1: If Yes, please give details: N/A</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>D1: If No, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above</p>	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> Minimum RMB 11.9 per hour.</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: <u> 0 </u>% of workforce earning under minimum wage F2: <u> 100 </u>% of workforce earning minimum wage F3: <u> 0 </u>% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> The factory provided post allowance RMB 1200-3500 to employees.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance (individual part) include endowment insurance, medical insurance and unemployment insurance and personal income tax.</p>		
<p>I: Have these deductions been made?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>I1: Please list all deductions that have been made.</p>	<p>1. <i>Social insurance</i> (individual part) 2. Nil Please describe: As shown in the payroll, social insurance (individual part) was deducted.</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. <i>Personal income tax</i>. 2. Nil Please describe: As shown in the payroll, personal income tax was not deducted. The factory paid personal income tax fee.</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Production records, such as daily production records, monthly production records, stock-in and stock-out records and etc.</p>		

<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
<p>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)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>L1: Please give details: Yes. The attendance records indicated that the punched in and out were calculated as work time and meetings before or after work were paid for their time, based on workers interview and management interview.</p>
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>M1: Please specify amount/time:</p>
<p>M2: If yes, what was the calculation method used.</p>	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A	
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: Please give details: Adjusting wages according to the local minimum wage.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>All employees were paid at or before 30th of the following month by cash confirmed by workers interview and management interview.</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>P1: Please give details: Confirmed by workers interview, management interview and factory policy.</p>
<p>Q: How are workers paid:</p>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other	<p>Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory provided the attendance records for workers from 1st Mar. 2021 to audit date for review during the audit date.
2. The working hours in the factory were recorded by electronic attendance system. The workers of CNC machining center worked for 5 days a week in 2 shifts, the 1st shift was from 07:30-19:30; the 2nd shift was from 19:30-07:30. 2 hours for meal breaks and 2 hours for overtime working. Other workers worked for 5 days a week in 1 shift. The normal working hours were from: 07:30-11:00; 12:00-16:30, if OT from 16:30-18:30. Saturdays was calculated as overtime, Sunday was guaranteed as rest.
3. Based on attendance records from 1 Mar. 2021 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in each months. Three sampled months Dec. 2021 (current paid month), May 2021 and Sep. 2021 were randomly selected. It was found that 10 out of 10 workers' monthly overtime was 78-86 hours in Dec. 2021, 10 out of 10 workers' monthly overtime was 72-80 hours in May 2021 and 10 out of 10 workers' monthly overtime was 70-82 hours in Sep. 2021.
4. During the workers interview, workers confirmed that they worked overtime voluntarily. The workers had right to refuse overtime work.

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

Details:

1. Attendance Records: from Mar. 2021 to the audit day
2. Production records: daily production records, delivery in/ out records of warehouse, inspection records.
3. Employee interview

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Based on attendance records from 1 Mar. 2021 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in each months. Three sampled months Dec. 2021 (current paid month), May 2021 and Sep. 2021 were randomly selected. It was found that 10 out of 10 workers' monthly overtime was 78-86 hours in Dec. 2021, 10 out of 10 workers' monthly overtime was 72-80 hours in May 2021 and 10 out of 10 workers' monthly overtime was 70-82 hours in Sep. 2021.

Local law and/or ETI requirement:

ETI Code 6.1

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

Local law: PRC Labour Law, Article 41

The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Recommended corrective action:

It is recommended that the factory should reduce the overtime to ensure the monthly overtime hours within 36 hours per month.

Objective evidence observed:

Attendance Records: from 1st Mar. 2021 to the audit day
Payroll records

Observation:

Description of observation:

None was observed.

Local law or ETI requirement:

Not Applicable

Objective evidence observed:

Not Applicable

Comments: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Not Applicable

Working hours' analysis <i>Please include time e.g. hour/week/month (Go back to Key information)</i>
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Systems & Processes

A. What timekeeping systems are used: time card etc.	Describe: Electronic attendance system.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input checked="" type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define: N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
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: <input checked="" type="checkbox"/> 1 in 7 days	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

	<input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	
	Maximum number of days worked without a day off (in sample):	
	6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
		N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
		N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day / 20 hours per week/ 80 hours per month in May 2021. 2 hours per day / 20 hours per week/ 82 hours per month in Sep. 2021. 2 hours per day / 20 hours per week/ 86 hours per month in Dec. 2021.	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__87__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Labour contracts had defined that the workers' overtime working were voluntary. Working hours' procedure also stipulated that the workers could attend the overtime working by their voluntary. In additional, 10 out of 10 randomly sample interviewed workers also confirmed that they took the overtime working by their own will.
Overtime Premiums		

<p>M: Are the correct legal overtime premiums paid?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages: Overtime hours on normal working days and rest days were compensated by 150% and 200% respectively of normal wage standard. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays will be paid by 300% of normal wage)</p>
<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency: 100% workers were paid at a premium monthly.</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>N/A</p>	
	<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) N/A
<p>Nil. Remark: the maximum weekly hours were 60 hours.</p>		
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details:
	<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Workers wanted more overtime to earn more money.

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. Non-discrimination policy was reviewed. And no discrimination issue was found.
2. No employee was required to do the examination of the hepatitis B virus and HIV, verified from worker interview.
3. Employment contracts were provided for review and they showed that male and female employees are on the same pay grade.
4. There was an internal grievance process, all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
5. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
6. No any documents show any differential treatment to different workers, constituting discrimination.

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

Details:

- Factory rules and regulations
- Wages, benefits and compensation policy
- Employment contracts
- Disciplinary practices
- Penalty records / reward records
- Promotion / demotion records
- Appeal, suggestion records and follow-up

Any other comments:

Nil

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>A1: Male: __100__ % A2: Female_0__ %</p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>0</p>

<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: N/A</p>
---	---

Professional Development	
<p>A: What type of training and development are available for workers?</p>	<p>Fire safety, production promotion and etc.</p>

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details:</p>
---	--

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Recruitment process and procedures were established in the factory.
2. All employees were recruited by the factory directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
3. All reviewed files were well maintained including an application form, the age verification documents, and contracts of employment.
4. Through the employee interview that all workers received signed contract of employment and copy of the same included in personal file.
5. The terms and conditions stated in the contract of employment complied with local laws.

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

Details:

Employee Handbook

Labour contracts

Worker interview

Recruitment policy

Personal file with ID copy

Any other comments:
Nil

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None was observed.</p> <p>Local law and/or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

Responsible Recruitment

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

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

Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>			
<p>A: Type of work undertaken by migrant workers:</p>	All production processes and management		
<p>B: Please give details about recruitment agencies for migrant workers:</p>	B1: Total number of (in country recruitment agencies) used: B2: Total number of (outside of local country) recruitment agencies used: No agency was used.		
<p>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?</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> <input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A, the migrant workers were employed by the factory directly and no such deductions. </td> <td style="width: 50%;"> C2: Observations: N/A </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A, the migrant workers were employed by the factory directly and no such deductions.	C2: Observations: N/A
<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A, the migrant workers were employed by the factory directly and no such deductions.	C2: Observations: N/A		
<p>D: Are Any migrant workers in skilled, technical, or management roles</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	D1: If yes, number and example of roles: 3 migrant workers were engaged in work of management.
---	---

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A

C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A

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

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Through the factory management and workers interview, it was noted that the factory did not use home worker.
2. The factory needed to purchase the raw material such as metal materials from other factories. After processing, the factory sent semi-finished goods to the subcontractor to conduct plating. Plating processes for auto parts were subcontracted. Based on management interview and document review, the factory had conducted assessment of ETI code among the suppliers and chosen the qualified suppliers.
3. As per onsite observation, management interview and document review, the plating process was sub-contracted, factory management stated that main client was aware of this situation, but the factory failed to provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.

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

<i>Process Subcontracted</i>	<i>Plating process</i>
<i>Name of factory</i>	<i>Yuhuan Huahua Metal Manufacture Co., Ltd</i>
<i>Address</i>	<i>Wujia Village, Chumen Town, Yuhuan City, Zhejiang Province, China</i>

Details:

1. Production records
2. Factory tour
3. Management interview and worker interview.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: As per onsite observation, management interview and document review, the plating process was sub-contracted, factory management stated that main client was aware of this situation, but the factory failed to provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.</p> <p>Local law and/or ETI /Additional Elements requirement: 8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>Recommended corrective action: The factory should provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.</p>	<p>Objective evidence observed: Document review and Management interview</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI/Additional elements requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

Summary of sub-contracting – if applicable	
<input type="checkbox"/> Not Applicable please x	
<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: Auditor had made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting.</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If Yes, summarise details:</p>

	As per onsite observation, management interview and document review, the plating process was sub-contracted, factory management stated that main client was aware of this situation, but the factory failed to provide positive evidence to prove that the sub-contracting of the plating process was notified to main client and agreed by them.
C: Number of sub-contractors/agents used:	1
D: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: The policy stipulated that the sub-contractor should comply with the social accountability policy of auditee, such as prohibition of child labour and forced labor etc.
E: What checks are in place to ensure no child labour is being used and work is safe?	The factory communicated social responsibility requirement to the subcontractor and conducted assessment to ensure no child labour is being used and work is safe.

Summary of homeworking – if applicable
 Not Applicable please x

A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: N/A		
B: Number of homeworkers	B1: Male: N/A	B2: Female: N/A	Total: N/A
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A		C1: If through agents, number of agents: N/A
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	N/A		
F: What processes are carried out by homeworkers?	N/A		
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A		

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

ETI

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>A1: Please give details: The factory used suggestion box for internal grievance channel; also the workers used hotline such as "110" as grievance channel to the 3rd party.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>During workers interview, the workers confirmed they knew how to use the emergency call to reporting violations. Hot line such as 119,110 was published in the workshop.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Hotline and suggestion box etc.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other <p>D1: Please give details: Confirmed by workers' interview, and procedure provided by the factory. Workers can access to workers' representatives directly or write anonymous letter to the suggestion box or call the telephone of the factory boss directly.</p>
<p>E: Are there any open disputes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>G1: If no, please explain</p>

<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

Current Systems and Evidence Examined

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

Current systems:

1. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation should be prohibited.
2. Through the facility management and employee interview, it was noted that no physical abuse or discipline happened in the factory and the disciplinary procedure of the factory was verbally warning and education.
3. The factory had provided confidential grievance mechanism for all workers. Hotline and suggestion box were available in the factory.

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

Details:

- Employee Handbook
- Worker interview
- Management interview
- Factory tour

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:
None was observed.

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Nil

Objective evidence observed:

Not Applicable

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

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 management interview, only workers with a legal right to work could be employed or used by the factory. And there were no any agency staffs, employment agencies and immigration worker used in the factory.

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

Details:

- Employee Handbook
- Employee Roster
- Personnel file with ID copy

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 None was observed.

Local law and/or ETI /Additional Elements requirement:

Not Applicable

Recommended corrective action:

Nil

Objective evidence

observed:
 Not Applicable

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law and/or ETI/Additional Elements requirement: Not Applicable</p> <p>Recommended corrective action: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

10. Other issue areas 10B2: Environment 2–Pillar

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

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

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

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established written procedure for environment management and appointed Mr. Hui Zhang / HR Manager as responsible person.
2. Environment policy and risk assessment had been conducted for environment.
3. The factory had required its suppliers to commit to be compliant with local law regarding environment issues.
4. Based on observation on site, sanitary sewage was discharged to sewerage system as per law. Production wastes were classified and collected. But the factory failed to provide hazardous waste transfer records of past 12 months for review.
5. No administrative penalty related to environmental issues was identified during this audit.
6. The factory learned their end client's environmental standards/code requirements and established policy to accord their environmental requirements.
7. The factory provided environmental impact assessment (EIA) report and approval for review.

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

Details:

- Environment management manual
- Environment impact assessment report and approval
- Environment management documents
- Appointment letter

Any other comments:

Nil

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input checked="" type="checkbox"/> NC against Local Law The factory failed to provide hazardous waste transfer records of past 12 months for review, such as waste chemicals and waste empty containers with chemicals.</p> <p>Local law and/or ETI/Additional Elements requirement: 10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>Local Law: PRC Law of Prevention and Treatment of Environmental Pollution by Solid Wastes, Article 80 It is prohibition that the hazardous wastes are provided or submitted to the unit which do not obtain the business permit to engage in collection, storage, utilization and disposal of hazardous wastes.</p> <p>Recommended corrective action: The factory should transfer the hazardous waste to a qualified unit and keep the hazardous waste transfer records.</p>	<p>Objective evidence observed: Document review and Management interview</p>

Observation:	
<p>Description of observation: None was observed.</p> <p>Local law or ETI/Additional elements requirements: Not Applicable</p> <p>Comments: Nil</p>	<p>Objective evidence observed: Not Applicable</p>

Good examples observed:	
<p>Description of Good Example (GE): Nil</p>	<p>Objective Evidence Observed: Not Applicable</p>

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1


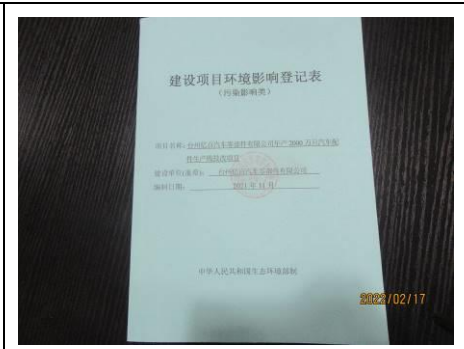
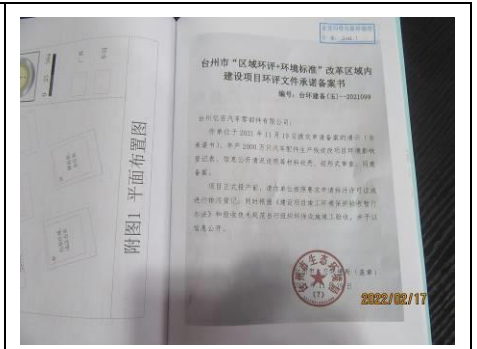

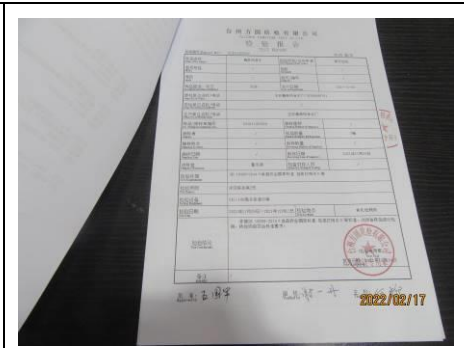
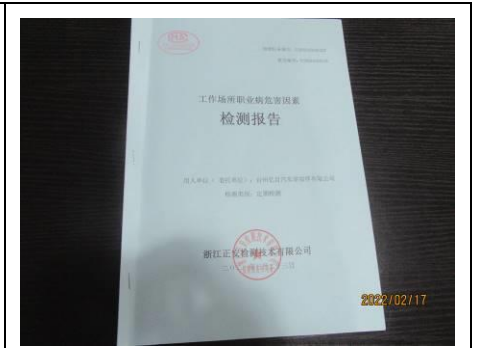
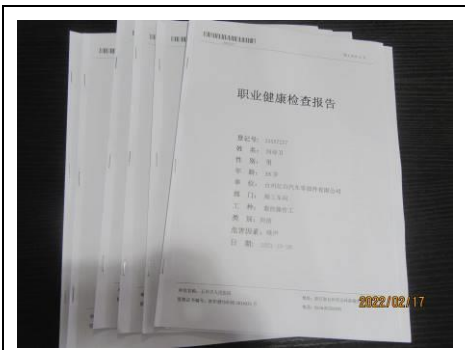

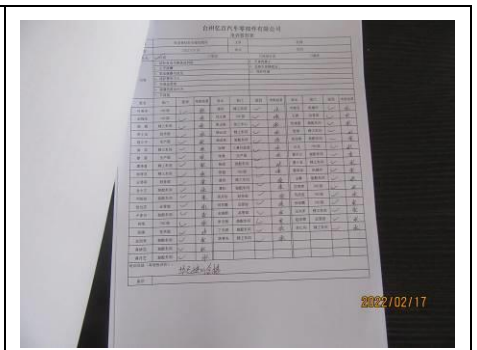
Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective 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."

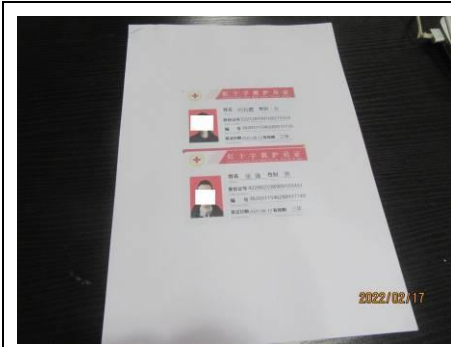
Not Applicable please x

Photo Form

<p>Factory name</p>	<p>Factory entrance</p>	<p>Factory address</p>
<p>Factory building</p>	<p>Raw material warehouse</p>	<p>Cutting</p>
<p>Metal machining</p>	<p>Assembling and packing</p>	<p>Finished goods warehouse</p>
<p>Eyewash station</p>	<p>Evacuation plan</p>	<p>Fire hydrant</p>

<p>Fire extinguishers</p>	<p>Button of fire alarm</p>	<p>Emergency light and exit sign</p>
<p>Exit indication</p>	<p>Occupational hazard notification card</p>	<p>First aid kit</p>
<p>Suggestion box</p>	<p>Attendance record machine</p>	<p>Drinking water</p>
<p>Toilet</p>	<p>Business license</p>	<p>Fire control acceptance checks</p>

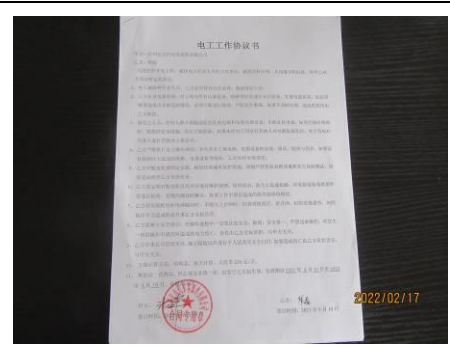
 <p>2022/02/17</p>	 <p>2022/02/17</p>	 <p>2022/02/17</p>
<p>Construction project completion acceptance checks</p>	<p>Environment impact assessment report</p>	<p>EIA approval</p>
 <p>2022/02/17</p>	 <p>2022/02/17</p>	 <p>2022/02/17</p>
<p>Environment monitoring report</p>	<p>Drinking water test report</p>	<p>Occupational hazardous factors test report</p>
 <p>2022/02/17</p>	 <p>2022/02/17</p>	 <p>2022/02/17</p>
<p>Occupational health examination report</p>	<p>Fire drill records</p>	<p>Training records</p>



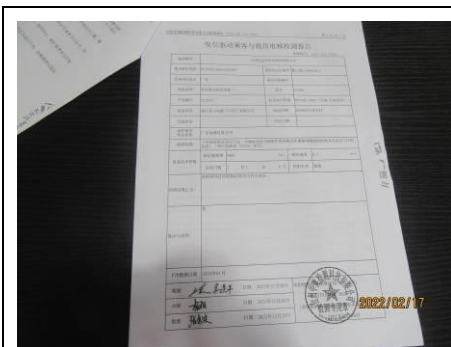
First aid certificate



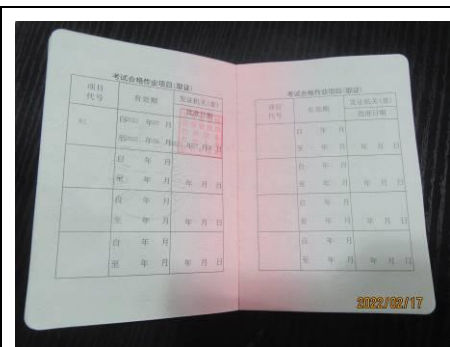
Electrician certificate



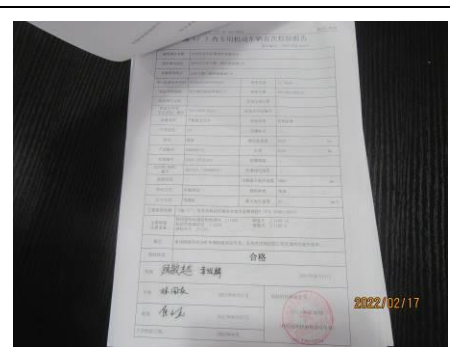
Part-time electrician agreement



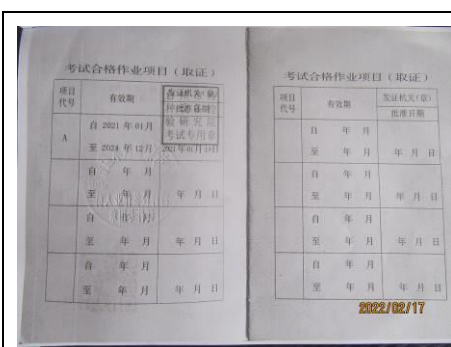
Cargo lift inspection report



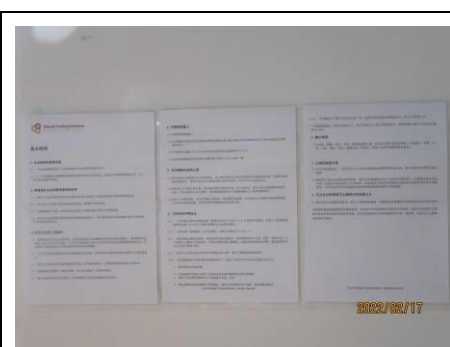
Forklift operator certificate



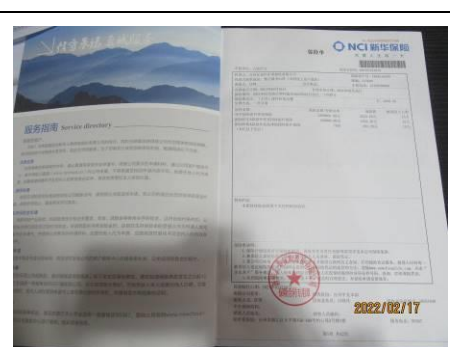
Forklift inspection report



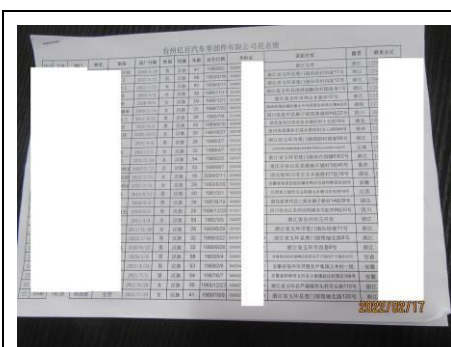
Cargo lift management certificate



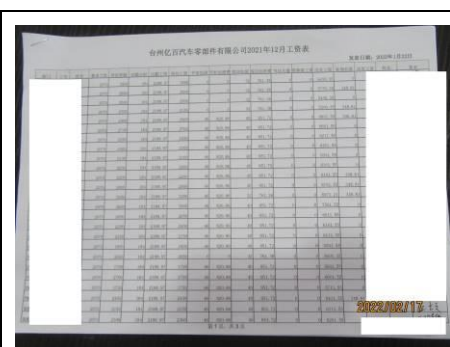
ETI code



Commercial insurance



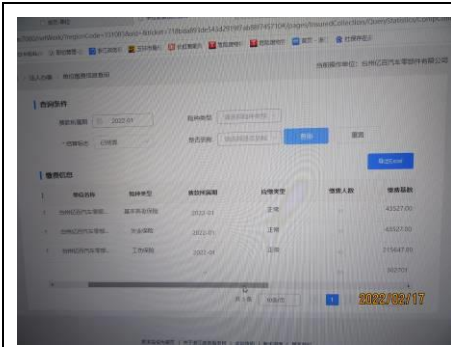
Employee roster



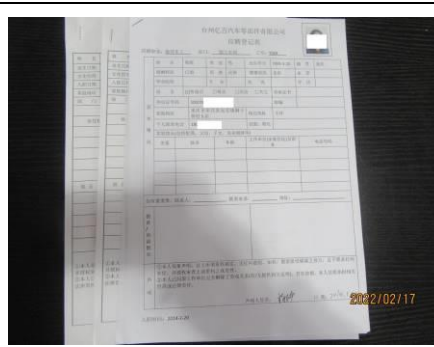
Payroll



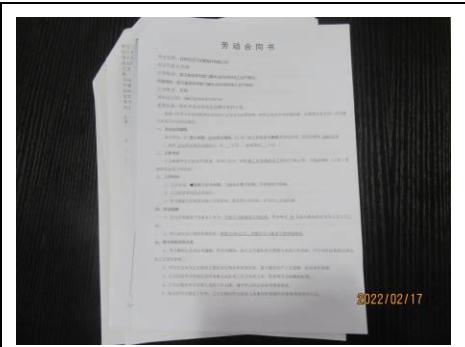
Attendance system record



Social insurance website checks



Personal file



Labour contract

Non-compliance



NC photo 1: Part of workers did not wear PPE properly.



NC photo 2: No safe lock was installed for the hooks of one crane.



NC photo 3: Insufficient anti-leakage facility.



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

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

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

[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>