



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC410620296	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS410901661	
Business name (Company name):	MULTISTEPS PLASTICS (DONG GUAN) CO LTD			
Site name:	MULTISTEPS PLASTICS (DONG GUAN) CO LTD			
Site address:	Room 102, Building 1, No.1, Qinghu East Road, Qingxi Town 东莞市 523641 CN	Country:	CN	
Site contact and job title:	Dong Xiaokang / Admin Manager			
Site phone:	0769-39012346	Site e-mail:	zhanneng0711@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-06-24			

Audit Company Name:
SGS_China

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Sunny Zhong	APSCA Number:	21705155
Additional Auditors:			
Date of declaration:	2024-06-25		

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

Site Representation	
Full Name:	Dong Xiaokang
Title:	Admin Manager
Date of declaration:	2024-06-25
<p>Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>	
<p>The audited factory shared one 7-storey building with Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. as office, production workshops and warehouses. One half of 1F and A quarter of 3F in one 6-storey production building belonged to Dongguan Zhanneng mould Co., Ltd, the whole floor of 6/F was rent and used by Dongguan Zhanxing Environmental Protection Materials Co., Ltd., while other areas were rent and used by the audited facility and included at audit scope. Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. had an independent business license. Based on management & employee interview and factory tour, there were obvious segregation between those two factories and the audited facility, and no shared employees or space was noted. Besides, one block of 8-storey dormitory building (1F: canteen and kitchen, 2-8F: dormitory) was shared by three factories including the audited factory, Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. The audited factory occupied the 2F-3F of the dormitory building, so 1-3F were included at the audit scope. 工厂与“东莞展能模具有限公司”以及“东莞展兴环保材料有限公司”共同租用一栋7层的建筑作为办公室、生产车间和仓库。其中1楼的一半和3楼的4分之一归属于“东莞展能模具有限公司”使用，6楼整层为“东莞展兴环保材料有限公司”租用，该栋建筑的其他区域为审核工厂租用，都在审核范围内。“东莞展能模具有限公司”以及“东莞展兴环保材料有限公司”均具有独立的营业执照。根据管理层访谈和员工访谈以及现场走访，这两家工厂与审核工厂有清晰的隔离，没有员工或者区域混用的情况。另外，工厂与“东莞展能模具有限公司”以及“东莞展兴环保材料有限公司”共用一栋8层的宿舍，一楼员工饭堂和餐厅三家公司共用，受审核工厂的员工在2楼和3楼居住，1-3楼均被列入审核范围内。</p>	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2 §3	3	0	2	NC - ZAF600519639 NC - ZAF600519640 NC - ZAF600538952 GE - ZAF600538953 GE - ZAF600538954
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600519638
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

§2	In accordance with Article 35 of Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.
§3	Regulations on the Safety Management of Hazardous Chemicals (2013 Revision), Article 20 An entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightning-proof, static-proof, antiseptis, and anti-leakage (i.e. protection dams and segregated operations) safety facilities or equipment, , etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.
§4	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

Site Details

Site Details		
Company Name	MULTISTEPS PLASTICS (DONG GUAN) CO LTD	
Site Name	MULTISTEPS PLASTICS (DONG GUAN) CO LTD	
GPS location (if available)	GPS Address:	Room 102, Building 1, No.1, Qinghu East Road, Qingxi Town, Dongguan City, Guangdong Province
	Coordinates:	Latitude: 22°48'36" Longitude: 114°10'43"
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: 91441900058590867H. Valid date: From Dec 20, 2012 to Dec 20, 2027.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Disposable PET food packaging boxes.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>MULTISTEPS PLASTICS (DONG GUAN) CO LTD was set up on Dec 20, 2020, and located at Room 102, Building 1, No.1, Qinghu East Road, Qingxi Town, Dongguan City, Guangdong Province, China. A total of 77 permanent employees in the factory during the audit. All employees were hired by the facility directly. Based on attendance records provided by the factory, it was noted one shift for all workers (08:00-12:00, 13:30-17:30). Normally, 0-2 overtime arranged on weekdays and overtime worked 0-8 hours on Saturdays. Workers always rest on Sundays. The audited factory shared one 7-storey building with Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. as office, production workshops and warehouses. One half of 1F and A quarter of 3F in one 6-storey production building belonged to Dongguan Zhanneng mould Co., Ltd, the whole floor of 6/F was rent and used by Dongguan Zhanxing Environmental Protection Materials Co., Ltd., while other areas were rent and used by the audited facility and included at audit scope. Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. had an independent business license. Based on management & employee interview and factory tour, there were obvious segregation between those two factories and the audited facility, and no shared employees or space was noted. Besides, one block of 8-storey dormitory building (1F: canteen and kitchen, 2-8F: dormitory) was shared by three factories including the audited factory, Dongguan Zhanneng mould Co., Ltd and Dongguan Zhanxing Environmental Protection Materials Co., Ltd. The audited factory occupied the 2F-3F of the dormitory building, so 1-3F were included at the audit scope.</p>	

Structure and number of buildings	Building Name:		Production building #1
	Floor	Description	Remark
	1	Partial areas: Material warehouse and mixing workshop of the audited facility. The other areas: Rent and used by Dongguan Zhanneng mould Co., Ltd.	Year of establishment:2017
	2	Blow molding, Label attaching, inspection and Packing of the audited facility	Year of establishment:2017
	3	A quarter area: Rent and used by Dongguan Zhanneng mould Co., Ltd. The other areas: finished goods warehouse of the audited facility	Year of establishment:2017
	4	Finished goods warehouse of the audited facility	Year of establishment:2017
	5	Finished goods warehouse of the audited facility	Year of establishment:2017
	6	Rent and used by Dongguan Zhanxing Environmental Protection Materials Co., Ltd.	Year of establishment:2017
	7	Finished goods warehouse of the audited facility	Year of establishment:2024

	Building Name:		Dormitory building
	Floor	Description	Remark
	1	Shared kitchen and canteen	Year of establishment:2017
	2	Rent and used by the audited facility as dormitory rooms	Year of establishment:2017
	3	Rent and used by the audited facility as dormitory rooms	Year of establishment:2017
	4	Rent and used by the other two factories as dormitory rooms	Year of establishment:2017
	5	Rent and used by the other two factories as dormitory rooms	Year of establishment:2017
	6	Rent and used by the other two factories as dormitory rooms	Year of establishment:2017
	7	Rent and used by the other two factories as dormitory rooms	Year of establishment:2017
	8	Rent and used by the other two factories as dormitory rooms	Year of establishment:2017
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on onsite observation, no visible structural integrity issues such as cracks was found.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the Building Structure Safety Certificate for review.		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season	January to December		

Process overview	The products manufactured in the factory were Disposable PET food packaging boxes. The main production processes were Mixing-Blow molding-Label attaching-inspection-packing. The main machines used in the factory were 5 Blow injection machines and 1 mixing machine etc.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	2 worker representatives.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 50 % of workers in on site accommodation.
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	09:00	In	09:00
	Out	17:00	Out	13:00
Audit type:	PERIODIC			
Was the audit announced?	ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	Dong Xiaokang / Admin Manager			
Is further information available	No			

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	No union was established in the factory.		
<i>Reason for absence during the audit</i>	No union was established in the factory.		
<i>Reason for absence at the closing meeting</i>	No union was established 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	14	0	0	39	0	0	0	53
Worker numbers - female	5	0	0	19	0	0	0	24
Total	19	0	0	58	0	0	0	77
Number of Workers interviewed - male	1	0	0	6	0	0	0	7
Number of Workers interviewed - female	1	0	0	2	0	0	0	3
Total - interviewed sample size	2	0	0	8	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	One group with 4 workers.
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	All interviewed workers had a positive attitude to management and site, and no worker complained during the interview.
What did the workers like the most about working at this site?	Most workers expressed that they were satisfied with working condition and the management.
Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had 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.
2. Mr. Dong / Admin Manager was a designated person responsible for implementing standards concerning Human rights.

Evidence examined:

Management interview
Worker's interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the audit, the policy statement that expressed commitment to respect human rights was provided for review.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Dong / Admin Manager.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the human resources office and only viewed by the HR and his team.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 5.0% This year 3.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 1.0% This year 1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	1.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Monthly accidents records were established and provided for review during the audit.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%

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

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

1. Client's code of conduct in the factory.
2. Management interview
3. Worker's interview

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such negative evidence found.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the related policy, including HR policies, hand manual, etc.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	According to procedures review, management & employees' interview, no negative evidence on forced labour, child labour, discrimination, harassment & abuse was observed.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse.

<p>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 Please give details: Training records were provided for review.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No HR department was available in factory.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Dong / Admin Manager was responsible for implementation of the Code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy was established in employee manual.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All workers' information was kept in the personnel files.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessments were conducted to evaluate policy and procedure effectiveness.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Actions should be taken if issues addressed.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory sent a copy of the ETI code and any relevant customer codes to its own suppliers.</p>
<p>Land Rights</p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All required land rights licenses were provided.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the system to conduct legal due diligence to recognize and apply national laws and practices relating to land title.</p>

<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory established the related policy.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. All required land rights licenses were provided for review.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. All required land rights licenses were provided for review.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. All required land rights licenses were provided for review.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- 2. The employees obtained their job by HR market or by friend's recommendation.
- 3. The workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- 4. No forced, bonded or involuntary prison labor was identified during the audit.

Evidence examined:

- 1. Employees' manual/Factory rules/ Personnel files records. No deposit was required by the factory
- 2. Labor Contract/Leave Records/Resignation records. The employees could be freely resignation after communication with management in advance 30 days' notification.

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such negative evidence was noted.
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 Please give details: NA.
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 Please give details: No such negative evidence was noted.

<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>No forced/ trafficked / bonded labour was identified in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. There were 2 worker representatives elected freely on May 28, 2024.
- 2. The meeting between factory management and worker representative was held regularly. The latest meeting was conducted on May 28, 2024. The meeting records were provided for review during the audit.
- 3. Workers could send their grievances or suggestions to top management directly which were confirmed by worker interview. The presentation and communication were effective.
- 4. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). Consequently, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- 5. Through worker interview, they could appeal through their supervisor directly or by suggestion box.
- 6. Workers confirmed that their factory management done well.

Evidence examined:

- 1. Site policy on freedom of association
- 2. Management and worker interview
- 3. Site policy on freedom of association

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	2 worker representatives.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box and WeChat.	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a meeting room available for worker committee for a meeting anytime.
Name of union and union representative, if applicable:	NA. No union was established at the facility.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes, 2 worker representatives.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was confirmed by workers.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-05-28
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	According to document review, management review and worker interview, the factory and the factory elected 2 worker representatives and conducted the meeting regularly. The latest meeting was conducted on May 28, 2024 with meeting records available, about 30 minutes and the topic was about the results of worker representative election and the benefits for employees in Summer etc.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

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

2. Fire Safety

- There were at least 2 exits from each work area and these were clearly marked.
- Fire-fighting equipment was adequate and were inspected regularly.
- Evacuation plans were posted in all areas and understood by all workers interviewed
- Fire drills were organised and recorded twice time a year on Nov 9, 2023 and May 6, 2024, which were recorded.

3. Electrical safety

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

4. Chemical safety

- Not all chemicals were equipped with secondary containment and chemical safety labels.
- All chemicals were posted with complete MSDS.

5. Medical services

- There were adequate first aid kits in each production area, and they were well stocked.
- There were 8 first aiders trained at a local hospital.

Evidence examined:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses and inspection on air quality and noise level
- Building structure safety certificate
- Trained first aider register
- Accident reports
- Potable water testing certificate
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Dong / Admin Manager was authorized person responsible for EHS.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employees' manual covered the EHS policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such situation was noted.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitor's badges have H&S information on them, and the visitor is requested to read it. PPE was prepared by auditor.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There were adequate first aid kits in each production area, and they were well stocked.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 8 first aiders on site.
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 Please give details: NA. Factory did not provide transport.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Secure personal storage space was provided for workers.
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 Please give details: EHS risk assessments were conducted regularly with actions implementation.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory obtained all required environment document for review, such as EIA report and approval, and discharge permit.


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 Please give details: It was acceptable.
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600519639	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600020760	
Resolved by audit	ZAA600072572	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.</p>	
ETI code	<p>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>	
Explanation to the non compliance	<p>The facility did not post chemical safety label for 8% used and stored hazardous chemicals like silicone oil. 工厂没有给8%的使用和存放的危险化学品例如硅油张贴的化学品安全标识。</p>	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days	

	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should post chemical safety labels for all used and stored hazardous chemicals. 建议工厂给所有使用和储存的危险化学品化学品张贴化学安全标识。	
Additional comments	The finding was carried over from last audit, has been corrected by factory, and doesn't exist in this new audit. The finding has been closed by the new audit.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600519640	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	318 - Inadequate / isolated failure in conducting medical examinations/ occupational health checks of workers in hazardous situations (e.g. noise / chemicals / dust)	
Subcategory	Worker Health	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600020760	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 35 of Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.</p>	
ETI code	<p>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p>	
Explanation to the non compliance	<p>Based on document review, it was found that the factory failed to provide pre-job and off-the-job occupational medical examination to employees who are exposed to occupational hazards such as noise and dust. 文件审核发现，工厂未能向接触职业危害因素（噪音和粉尘）的员工提供岗前及岗后的职业健康体检。</p>	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	

Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should provide pre-job and off-the-job occupational health examination to workers as per legal requirement. 工厂应按法律法规要求给员工提供岗前及岗后的职业健康体检。	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600538952	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Regulations on the Safety Management of Hazardous Chemicals (2013 Revision), Article 20 An entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightning-proof, static-proof, antiseptis, and anti-leakage (i.e. protection dams and segregated operations) safety facilities or equipment, , etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.	
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><u>IMG_2117.JPG</u></p>
Explanation to the non compliance	No facility for preventing liquid chemicals from flooding and spreading was available in chemical storage area where antifreeze, etc. were stored. 储存防冻液等的化学品储存区没有防止化学品泛滥和扩散的设施。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days	

	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should provide facility for preventing liquid chemicals flooding and spreading in chemical storage area. 工厂应提供防止液体化学品在化学品储存区泛滥和扩散的设施。	

Good Example	Evidence																		
[Back to findings summary]																			
<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2">Good Example</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600538953</td> </tr> <tr> <td>Clause</td> <td>3 - Working Conditions are Safe and Hygienic</td> </tr> <tr> <td>Issue Title</td> <td>376 - Free or subsidised food for workers in accommodation</td> </tr> <tr> <td>Subcategory</td> <td>Accommodation Living Conditions</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Explanation to the good example</td> <td>The facility provided free working meals for employees. 工厂给员工提供免费的工作餐。</td> </tr> <tr> <td>Evidence</td> <td>Facility tour & Document Review & Workers' Interview</td> </tr> </tbody> </table>		Good Example		Status	OPEN	Reference	ZAF600538953	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	376 - Free or subsidised food for workers in accommodation	Subcategory	Accommodation Living Conditions	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	The facility provided free working meals for employees. 工厂给员工提供免费的工作餐。	Evidence	Facility tour & Document Review & Workers' Interview
Good Example																			
Status	OPEN																		
Reference	ZAF600538953																		
Clause	3 - Working Conditions are Safe and Hygienic																		
Issue Title	376 - Free or subsidised food for workers in accommodation																		
Subcategory	Accommodation Living Conditions																		
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over																		
Explanation to the good example	The facility provided free working meals for employees. 工厂给员工提供免费的工作餐。																		
Evidence	Facility tour & Document Review & Workers' Interview																		

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	ZAF600538954	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	377 - Free or subsidised accommodation for workers	
Subcategory	Accommodation Living Conditions	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	The facility provided free accommodations for employees. 工厂给员工提供免费的住宿。	
Evidence	Facility tour & Document Review & Workers' Interview	

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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established a policy and procedure on worker recruitment that workers must present their original ID card to prove their ages at application stage, once workers have joined the factory, their ID copies were kept in their personnel file at HR department and the original ID were given back to workers.
- 2.And the policy stated that the factory never employs and use any child labour under the age of 16 years old.
- 3.The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, and young workers should not arrange to work at hazardous post.
- 4.Checks of all workers files showed that the youngest worker on site was 19 years old on the audit day.
- 5.No child labour or young worker was identified during the audit.

Evidence examined:

- Recruitment policy
- Personnel files of all workers
- Latest list of employees
- Labour contracts
- Management interview
- Worker's interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	19
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No young worker was used at the facility.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. There were written policies established on wages and benefits and which were communicated to workers during recruitment process.
2. Based on provided payroll records, all workers were paid at hourly rate and minimum wage guarantee system was established for all workers. Workers' minimum wages were paid RMB1900 per month (RMB10.92 per hour), which met the local legal minimum wage of RMB1900 per month (RMB10.92 per hour) since Dec 1, 2021.
3. The wages office was well organised with a good as well as controlled set of processes which are understood by all employees.
4. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment.
5. All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
7. All workers were paid on or before the 25th of the following month via bank transfer and each worker was given a pay slip and signed for their wages.
8. All eligible employees in the factory obtained the required social insurance.

Evidence examined:

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

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: 36.0 Per Month: null	Actual Per Day: 2.0 Per Week: 20.0 Per Month: 92.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1900	Actual Per Day: 0 Per Week: 0 Per Month: 1900	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0 Per Week: 0 Per Month: 0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Apr 2024 (current month) 10 samples from Dec 2023 (random month) 10 samples from Sept 2023 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB1900 per month.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 100.0% of workforce earning minimum wage 0.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Job allowance: RMB 500-1000 per month, Full attendance bonus: RMB100 per month. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, personal income tax.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Please list all deductions that have been made.	<p>1.Tax 2.Social insurance</p> <p>Please describe: 1. The workers would be deducted the tax who reach the starting point of the personal income tax. 2. 100% workers purchased social insurances.</p>
Please list all deductions that have not been made.	<p>1.Tax</p> <p>Please describe: 1. The workers would not be deducted the tax who did not reach the starting point of the personal income tax.</p>
Were appropriate records available to verify hours of work and wages?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
Were any inconsistencies found? (if yes describe nature)	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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> <p>Please give details: The attendance records reflected all time worked.</p>
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
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 <input type="checkbox"/> Other - please give details:</p>
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> <p>Please give details: The factory reviewed the wages yearly refer to local bureau, workers opinion.</p>
Are workers paid in a timely manner in line with local law?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
Is there evidence that equal rates are being paid for equal work:	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Through factory rules review, payroll records review and employee's interview, it was confirmed that equal rates are being paid for equal work.</p>
How are workers paid:	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

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

6: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory provided attendance records from Sept 1, 2023 to the audit date.
- 2.The working time of workers were recorded by electrical system (face recognition).
- 3.Standard working time is 5 days per week and 8 hours per day. According to time records and worker interview, one shift (08:00-12:00,13:30-17:30, overtime hours from 18:30 for 0-2 hours) was adopted for all workers. Normally, workers overtime worked 0-2 hours on weekdays, and overtime worked 0-10 hours on Saturdays. Workers were always rest on Sundays.
- 4.The factory reviewed the wages yearly refer to local bureau. Based on the provided attendance records, the maximum overtime hours in 10 sample workers from three sample months were as below:
 2 hours per day, 20 hours per week and 82 hours per month in Apr 2024 (current month)
 2 hours per day, 20 hours per week and 92 hours per month in Dec 2023 (random month)
 2 hours per day, 20 hours per week and 80 hours per month in Sept 2023 (random month)

Evidence examined:

- Worker interview
- Management interview
- Local and national laws
- factory policy on working hours
- Attendance Record
- Pay slips with recorded hours all workers interviewed
- Labour contracts

Any other comments:

Nil

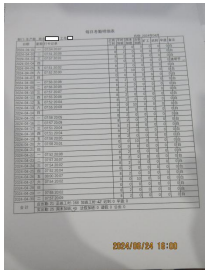
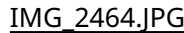
Working hours' analysis

Systems & Processes

What timekeeping systems are used?	The working time of workers were recorded by electrical system (face recognition).
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	2 hours per day, 20 hours per week and 82 hours per month in Apr 2024 (current month) 2 hours per day, 20 hours per week and 92 hours per month in Dec 2023 (random month) 2 hours per day, 20 hours per week and 80 hours per month in Sept 2023 (random month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum weekly working hours at the facility were 60h.
Approximate percentage of total workers on highest overtime hours:	80.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Based on documents review, management interview and worker interview, overtime was voluntary.
Overtime premium	

<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100 % workers were paid with appropriate overtime wages on a monthly basis.</p>
<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>NA.</p>
<p>If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<p><input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)</p>
<p>Please give details</p>	<p>NA.</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>NA.</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600519638	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600020760	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Workers' OT working hours exceeded the legal requirement. Based on the attendance records from Sept 1, 2023 to the audit day. 10 sampling workers' working hours (including all production workers, warehouse, inspectors) was taken from Apr 2024 (Current month), Dec 2023 (Random month) and Sept 2023 (Random month) and found: 1) Apr 2024, all 10-sampling worker's (including all production workers, warehouse, inspectors) monthly working hour exceeded 36 hours, the maximum monthly working hour was up to 82 hours. 2) Dec 2023, all 10-sampling worker's (including all production workers, warehouse, inspectors) monthly working hour exceeded 36 hours, the maximum monthly working hour was up to 92 hours. 3) Sept 2023, all 10-sampling worker's (including all production workers, warehouse, inspectors) monthly working hour exceeded 36 hours, the maximum monthly working	
		 

	<p>hour was up to 80 hours. 员工的加班时间超过法律法规要求。工厂提供了员工2023年9月1日至审核当天的考勤记录。审核员在2024.4（当前月）、2023.12（随机月）、2023.9（随机月）随机各抽取10名工人（包括全部生产员工、仓管、品检）作为样本，发现：</p> <p>1) 2024.4，抽取的10名工人（包括全部生产员工、仓管、品检）的月加班时间均超36小时，最大达82小时。 2) 2023.12，抽取的10名工人（包括全部生产员工、仓管、品检）的月加班时间均超36小时，最大达92小时。 3) 2023.9，抽取的10名工人（包括全部生产员工、仓管、品检）的月加班时间均超36小时，最大达80小时。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>The factory should arrange employees' work reasonably and ensure their overtime hours be in accordance with legal requirement. 工厂应控制员工的加班时间，并符合法律法规要求。</p>	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 75.0%	Female: 25.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	Based on document review and workers interview, there was no evidence of discrimination found during the audit.	
Professional Development		
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.	

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

Yes No

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

The hiring and termination practices
Personal files
Payroll records
Time records
Employment Contract

Any other comments:

Nil

Responsible Recruitment

All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- Yes No

Migrant Workers	
Type of work undertaken by migrant workers:	All migrant workers were arranged at all working positions.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.
Is there any observation on this finding?	NA.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 9 migrant workers from other provinces were acted as management roles.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	NA. No agency was used at the facility.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No agency was used at the facility.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No agency was used at the facility.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.

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

8A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

1. Materials in/out records
2. Worker & Management interview

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

9: Compliance Requirements

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

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

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was suggestion box, workers could raise grievances to local media.
If yes, are workers aware of these channels and have access? Please give details.	It was confirmed by workers' interview.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism,comment box etc. Please give details.	Confidential e mail, issues are discussed at senior management level and investigated.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Workers could raise grievances to worker representatives, supervisors, team leaders, or managers directly.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Based on document review, factory management representation and worker interview, all workers in the factory were Chinese, there were 58 employees that were migrant employees, which came from other provinces from Hunan, Guangxi and Sichuan. 19 were local employees. All workers had the proper legal rights to work in this region.
2. The youngest worker on site was 19 years old on the audit day.
3. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. No agency staff or foreign worker was used by the factory.

Evidence examined:

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

Any other comments:

Nil

10B4 - Environment 4–Pillar
[Summary of Findings]

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
- 10.B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements
- 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).
- 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site’s efforts to improve environmental performance.
- 10B4: Guidance for Observations
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established policy and procedure and environmental protection. And the factory provided training for workers on environmental protection.
2. All required permit and license were provided for review, e.g. Environmental Impact Assessment Report and Approval etc.
3. The factory took the assessment for the environment factors and took the continuously actions to manage the environment factors.

Evidence examined:

- 1.Environment policy. Procedure & permit
2. Worker and management interview.
3. Site tour

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

Mr. Dong / Admin Manager.

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory updated risk assessment on environmental impact of the site regularly.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The key impacts of environment and commitment to improvement were addressed.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Pollutant discharge license was provided.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The factory established a documentation process to record hazardous chemicals used in the manufacturing process.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This is included in the site's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The reduction targets were noted in environmental management system manual.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Weights of recycled waste are recorded for continuous improvement targets.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The consumption of key utilities of water, energy and natural resources were monitored and recorded.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The checked records were provided for review during the audit.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	74394	31635
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	725	718
Water Discharged	Sewage recycling	Sewage recycling
Water Volume Discharged	652	642
Water Volume Recycled	0	0
Total waste produced	10.4T	8.15T
Total hazardous waste produced	0.3T	0.15T
Waste to recycling	3T	2T
Waste to landfill	0	0
Waste to other	7.1T	6T
Total Product Produced	13000T	7000T

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- 10C: Guidance for Observations
- 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
- 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.Mr. Dong / Admin Manager was responsible for implementing standards concerning Business Ethics, and the practices were conducted without any corruption and bribery happened.
- 2.The company established a business ethics policy and communicated to workers through posters and training.
- 3.There was an internal grievance process including anonymous contact tel/email address.

Evidence examined:

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

Any other comments:

Nil

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

- Internal Policy
- Policy for third parties including suppliers

Please give details:

The factory had a business ethic policy, which was communicated with employees and implemented internally and externally.

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Employees were trained on business ethic policy regularly.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The policy was updated regularly.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory required their suppliers to follow business ethic policy and provide training to all workers.</p>

Attachments



SMETA-ISASCN24356209-MULTISTEPS PLASTICS
(DONG GUAN) CO LTD-Jun 24-25, 2024-Annual-
Photo Report.pdf



SMETA-ISASCN24356209-MULTISTEPS PLASTICS
(DONG GUAN) CO LTD-Jun 24-25, 2024-Annual-
Onsite CAP.pdf



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

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