



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC419917936	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS419948740	
Business name (Company name):	ZHEJIANG KANGGU PACKAGING CO LTD			
Site name:	ZHEJIANG KANGGU PACKAGING CO LTD			
Site address:	浙江省嘉兴市平湖市独山港镇海河路1128号 嘉兴市 314000 CN	Country:	CN	
Site contact and job title:	Mr. Fei Teng / Vice general manager			
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:	2023-07-10			

Audit Company Name:
Intertek Shanghai

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:	owen zhu	APSCA Number:	21700296
Additional Auditors:			
Date of declaration:	2023-07-12		

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:	Mr. Fei Teng
Title:	Vice general manager
Date of declaration:	2023-07-12
<b>Comments:</b> <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>	
None	

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<a href="#">0A - Universal rights covering UNGP</a>			0	0	0	
<a href="#">0B - Management systems and code implementation</a>			0	0	2	GE - ZAF600105732 GE - ZAF600105733
<a href="#">1 - Freely chosen employment</a>			0	0	0	
<a href="#">2 - Freedom of association and right to collective bargaining are respected</a>			0	0	0	
<a href="#">3 - Working conditions are safe and hygienic</a>	3.1	§1	1	0	1	NC - ZAF600105730 GE - ZAF600105736
<a href="#">4 - Child labour shall not be used</a>			0	0	0	
<a href="#">5 - Living wages are paid</a>			0	0	0	
<a href="#">6 - Working hours are not excessive</a>	6.1	§2	1	0	0	NC - ZAF600105731
<a href="#">7 - No discrimination is practiced</a>			0	0	0	
<a href="#">8 - Regular employment is provided</a>			0	0	0	
<a href="#">8A - Subcontracting and homeworking</a>			0	0	0	
<a href="#">9 - No harsh or inhumane treatment is allowed</a>			0	0	0	
<a href="#">10A - Entitlement to work and immigration</a>			0	0	0	
<a href="#">10B2 - Environment 2-pillar</a>			0	0	0	
<a href="#">10B4 - Environment 4-pillar</a>			0	0	2	GE - ZAF600105734 GE - ZAF600105735
<a href="#">10C - Business ethics 4-pillar</a>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with General Rules for Fire Safety Management of Storage Occupancies XF 1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.
§2	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.



## Site Details

Site Details		
Company Name	ZHEJIANG KANGGU PACKAGING CO LTD	
Site Name	ZHEJIANG KANGGU PACKAGING CO LTD	
GPS location (if available)	GPS Address:	No.1128 Haihe Road, Dushangang Town, Pinghu, Jiaxing City, Zhejiang Province 浙江省嘉兴市平湖市独山港镇海 河路1128号
	Coordinates:	Latitude: 30.40'25" Longitude: 120.13'25"
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: 91330482MA28BM18XA Valid from 28 February 2017 to long term	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of Color Printing Packaging Products and Foam Plastic Products	



<p>Site description: (Include size, location, and age of site. Also, include structure and number of buildings)</p>	<p>Zhejiang Kanggu Packaging Co., Ltd. was located at No.1128 Haihe Road, Dushangang Town, Pinghu, Jiaxing City, Zhejiang Province, China. The total land area occupied was about 53333 square meters, and construction area used by the facility was about 98600 square meters. The facility had operated in the existing location since February 2017. The main products manufactured by the facility were Color Printing Packaging Products and Foam Plastic Products. There was a total of 268 employees (including 46 office staffs and logistics staffs; 14 managers; 208 production employees) on site. 55 employees were local, while 213 employees were migrant from other provinces of China, including Anhui, Gansu, Henan, Guangdong, Guangxi, Guizhou, Hubei, Hunan, Jiangsu, Jiangxi, Shandong, Shanxi, Sichuan, Yunnan Province, Shanghai City and Chongqing City. No foreign worker existed in the facility. All employees worked for 5 days a week. All production employees worked in 2 shifts, the first shift was from 8:00-12:00, 13:00-17:00 and 18:00-20:00, the second shift was from 20:00-00:00, 1:00-5:00 and 6:00-8:00, other employees worked for 5 days a week in 1 shift from 8:00 to 17:00 with 1 hour's break from 11:15 to 12:15. Card swiping attendance system is used for time keeping. Employees' wages are calculated on hourly-rate and paid monthly. The pay day is on or before 25th of next month and the calculated period is from 1st to the end of the month. The peak season is not obvious in the facility. In view of facilities, the facility consisted of one 3-storey production building for office, workshop and warehouse; one 5-storey building (2F-5F were empty) for kitchen and canteen. Partial 1F of the 3-storey building was rented to Shanghai Zhenyuan Industry Co., Ltd. for workshop and warehouse. No dormitory was provided for employees. There was another 6-storey building, which located next to the address (belongs to the audited facility), rented to Shanghai Songhui Trading Co., Ltd. During employees' interview and document review, the audited facility and all tenants had independent management system, business licenses, and all employees in each facility would not be commingled with each other. Remark: Due to the previous SMETA report of the site in Sedex Advance was not published, the current audit task could not be created in Sedex Advance as annual audit. Although it indicates the audit type as Initial in Sedex new platform, actually it was done as annual audit considering the site had performed previous SMETA audit on 11-13 July 2022.</p>
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Structure and number of buildings	Building Name:		Production Building no.1
	Floor	Description	Remark
	Floor 1	Office, workshop and warehouse, partial used by Shanghai Zhenyuan Industry Co., Ltd. for workshop and warehouse	Year of establishment: 2019 Size: 21098 square meters
	Floor 2	Office, workshop and warehouse	Year of establishment: 2019 Size: 21098 square meters
	Floor 3	Used as workshop and warehouse	Year of establishment: 2019 Size: 21098 square meters
	Building Name:		Comprehensive Building no.1
	Floor	Description	Remark
	Floor 1	Kitchen and canteen	Year of establishment: 2019 Size: 1316 square meters
	Floor 2-5	Idle floor	Year of establishment: 2019 Size: 1316 square meters each floor
	Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site did not have a structural integrity issue (large cracks).	
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site had obtained building construction permits.		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	The main products manufactured by the facility were Color Printing Packaging Products and Foam Plastic Products. The main production processes were listed as follows: Color Printing Packaging Products: platemaking, printing, covering, corrugating, die cutting, gluing, inspection and packaging; Foam Plastic Products: mixing, moulding. The main machine list of the factory was as following: 4 covering machines, 6 auto gluing machines, 7 printing machines, 12 die cutting machines, 4 moulding machines and 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:	Zhejiang Kanggu Packaging Co., Ltd. Worker Committee
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any dormitory provided by the facility.

Audit Parameters						
Time in and time out	Day 1		Day 2		Day 3	
	In	09:00	In	08:55	In	09:00
	Out	17:00	Out	17:00	Out	13:05
Audit type:	FULL_INITIAL					
Was the audit announced?	ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Mr. Fei Teng / Vice general 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 existed in the facility.		
<i>Reason for absence during the audit</i>	No union existed in the facility.		
<i>Reason for absence at the closing meeting</i>	No union existed in the facility.		

## 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	21	0	0	106	0	0	0	127
Worker numbers – female	31	0	0	96	0	0	0	127
Total	52	0	0	202	0	0	0	254
Number of Workers interviewed – male	4	0	0	11	0	0	0	15
Number of Workers interviewed – female	3	0	0	8	0	0	0	11
Total – interviewed sample size	7	0	0	19	0	0	0	26

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: CHINESE approx %: 100%	
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA, no peak month in 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:	N/A

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:	4 groups of 5 employee
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None. All employees interviewed had a positive attitude to management and site.
What did the workers like the most about working at this site?	The working condition was good. The facility management was kind to employees.
Any additional comment(s) regarding interviews:	Most employees enjoyed working at this facility, they felt they had enough wage and had a good relationship with management in general.
Attitude of workers to hours worked:	They stated that the overtime work was voluntarily and the satisfactory with the working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:



Attitude of workers:

26 employees were randomly selected for interview; they were interviewed as 4 groups of 5 employees and the balance of 6 employees were interviewed individually. The workers were assured of confidentiality and they spoke freely of their views of the facility. All workers said they were satisfied with their employment at the facility 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 to their worker representative who would take it to the worker management committee.

Attitude of worker's committee/union reps:

One worker representative was interviewed, and she was satisfied with the working condition and wages of the facility. No negative information was raised.

Attitude of managers:

The facility management showed a positive attitude to this audit during the whole process. All necessary documents were provided timely and a private room was arranged for employees' interview. At the end of the audit, all the findings were accepted by the facility management. No negative information was raised by managers.

**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 facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by Mr. Wu Gang/ General Manager. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps.
2. There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review.
3. The facility had assessed and measured the human rights impacts and issues of its stakeholders once per year and the facility's conclusion was that no salient negative human rights impact or issue was found in their stakeholders.
4. The facility had assessed and measured its direct, indirect and potential human rights impacts on its stakeholders once per year and the facility's conclusion was that there was no salient negative impact of human rights on its stakeholders.
5. According to worker interviews, management interviews and the facility's regular assessment and measurement of its direct, indirect and potential human rights impacts on its stakeholders, the facility had adverse impact of human rights on its stakeholders.

**Evidence examined:**

1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. The posters and trainings records about Human Rights Policy.
4. The facility's written Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties.
5. The designation paper for person responsible for implementing standards concerning Human Rights in the facility.
6. The assessment and measurement reports regarding its direct, indirect and potential human rights impacts on its stakeholders.

**Any other comments:**

None

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manual.
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. Fei Teng / Vice General 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 facility had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. suggestion box) were available for its employees and other stakeholders to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings.
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: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information such as the worker roster, the workers' personal files (including the ID card copies and other sensitive data such as residency address, contact methods, etc.), copies of labour contracts, payrolls, etc. were kept in lockers of the office by the responsible persons (i.e. financial and administration staff). And the workers' confidential and private information and data in computers were also controlled and accessed only to authorised persons (e.g. financial and administration staff).
<b>Measuring Workplace Impact</b>	
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 2.1%
	This year 1.6%

Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.8%
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)	<div>Last year 2.3%</div> <div>This year 1.2%</div>
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.7%
Are accidents recorded?	<div><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div> <div>Please give details:</div> <div>Accidents records were provided for review and it showed no accident happened in past 2 years.</div>
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	<div>Last year 0.0%</div> <div>This year 0.0%</div>
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	<div>Last year 0.0%</div> <div>This year 0.0%</div>
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	<div>6 month 0.0%</div> <div>12 month 0.0%</div>
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	<div>6 month 0.0%</div> <div>12 month 0.0%</div>

**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 facility implemented and maintained systems for delivering compliance to this Code. A CSR manual was created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements. Responsibility for implementing the legal and client's code requirements was Mr. Fei Teng / Vice General Manager. He was responsible for ensuring the compliance of the standards. There was an internal audit team for internal audit of the social standards of the facility and they reported their findings to Mr. Wu Gang/ General Manager. Implementation of any necessary changes was then given to the individual department head after agreement with Mr. Fei Teng / Vice General Manager.
2. The facility was operating legally and had the correct & valid business license. The facility had provided the land using permit for review.
3. One senior manager was responsible for compliance with the Code Mr. Fei Teng / Vice General Manager.
4. The facility communicated this Code to all employees by training as confirmed by training records and employee interviews.
5. The ETI based code was posted on-site for employees to review.
6. The facility communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually.
7. Implementation of any necessary changes was then given to the individual department heads after agreement with the facility manager.

**Evidence examined:**

1. The CSR manual; client's code of conduct at the facility (posted in Chinese in the workplaces); Appointment papers for compliance responsible persons; Internal audit documents (e.g. annual audit reports) from the internal audit team; management system certificate.
2. Business license and land using permit.
3. The appointment paper for the senior management responsible for compliance with the Code.
4. Training records for workers
5. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
6. Management interview and worker interview

**Any other comments:**

None

**Management Systems**

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

☐ Yes ☒ No

Please give details:

No any fines/prosecutions for non-compliance to any regulations in the last 12 months.


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 facility had set up procedures of no forced labour, no child labour and no discrimination, harassment & abuse in the facility. Regularly training was conducted to workshop supervisor in order to make sure all employees get the message.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through employee interview and reviewing the ID copies the facility kept, the youngest employee in the facility was 19 years old, no child labour in the facility. Policies exist for these areas (Forced labour, Child labour, Discrimination, Health and Safety, Living Wage, Working Hours, no harsh treatment & abuse, Environment and Business Ethics); these were communicated to workers via annual training. Through documents review and workers interview, policy on no harsh treatment and Environment were in compliance with the code. Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.
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:  Training about no forced labour, non-child labour, non-discrimination and non-harassment & abuse was provided by the facility when new employees come in. Managers were also required to follow the relevant policies.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Training records: Annual training for all employees, lastly conducted on 6 April 2023.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  1. The facility obtained ISO9001: 2015 certificate (certificate no.: C0643518-IS1), valid period was from 18 March 2021 to 17 March 2024. 2. The facility obtained FSC COC certificate (certificate no.: SGSHK-COC-320919), valid period was from 13 May 2022 to 15 June 2026. 3. The facility obtained ISO14001: 2015 certificate (certificate no.: 16421E30871R0M), valid period was from 4 May 2023 to 29 November 2024. 4. The facility obtained ISO50001:2018 certificate (certificate no.: N.CN23-105601), valid period was from 17 May 2023 to 16 May 2026. 5. The facility obtained ISO45001: 2018 certificate (certificate no.: N.CN23-10560C), valid period was from 16 May 2023 to 15 May 2026.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  The facility had administration and HR department which in charge of the recruitment of workers, assignment of employees' post, etc. and Mr. Zhou Kai / administration & HR Manager was available in the facility and present in the audit.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Mr. Fei Teng / Vice General Manager

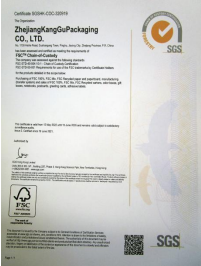


Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy stipulated that ensure all worker information was confidential
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees' private information such as personal identity information was managed by appointed office staff. Without permission, nobody could review.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During document review and management interview, auditor noted that the facility conducted risk assessment once per year and provided the reports to review.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had relevant procedure to manage the labour standards of suppliers.
<b>Land Rights</b>	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site had all required land rights, licences and permission.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site had systems in place to conduct legal due diligence to recognize or apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site did not have a written policy and procedures specific to land rights. Remark: The land in China mainland was belonged to the nation. Anybody or facility, no matter the character, could only rent the land from governmental department for a period. If the facility would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.



Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was evidence that facility site compensated the owner/lessor for the land prior to the facility being built.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility acquired and used the land according to the legal procedure and project's requirement.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No illegal appropriation of land for facility building or expansion of footprint.

Good Example		Evidence																		
<a href="#">[Back to findings summary]</a>																				
<table><tr><th colspan="2">Good Example</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600105732</td></tr><tr><td>Clause</td><td>0B - Management Systems and code Implementation</td></tr><tr><td>Issue Title</td><td>25 - Certifications in place with sub-suppliers / labour brokers e.g. ISO 9000, FSC, SA 8000, ISO 14001, etc.</td></tr><tr><td>Subcategory</td><td>Site's Management systems &amp; Monitoring</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><p>The facility obtained ISO9001: 2015 certificate (certificate no.: C0643518-IS1), valid period was from 18 March 2021 to 17 March 2024.</p><p>企业获得ISO9001: 2015证书(证书号: C0643518-IS1), 有效期从2021年3月18日到2024年3月17日。</p></td></tr><tr><td>Evidence</td><td>Document review</td></tr></table>		Good Example		Status	OPEN	Reference	ZAF600105732	Clause	0B - Management Systems and code Implementation	Issue Title	25 - Certifications in place with sub-suppliers / labour brokers e.g. ISO 9000, FSC, SA 8000, ISO 14001, etc.	Subcategory	Site's Management systems & Monitoring	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	<p>The facility obtained ISO9001: 2015 certificate (certificate no.: C0643518-IS1), valid period was from 18 March 2021 to 17 March 2024.</p> <p>企业获得ISO9001: 2015证书(证书号: C0643518-IS1), 有效期从2021年3月18日到2024年3月17日。</p>	Evidence	Document review	<div></div> <div><a href="#">ISO9001 certificate.JPG</a></div>
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Good Example																				
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Reference	ZAF600105733																			
Clause	0B - Management Systems and code Implementation																			
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Evidence	Document review																			



## 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 facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The employing handbook – given to all workers on joining, stated that workers are free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours. The rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
5. The factory did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The factory did not use prison labour.
7. The above was confirmed in management and employee interview.

### Evidence examined:

1. Personnel files (all were checked)
2. Resignation records of recent 12 months
3. Factory rules
4. Employee handbook
5. Management and employee interview

### Any other comments:

None

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ 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: There was no any restriction on workers' freedom to terminate employment. Workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work.
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: No such part of business in UK based / registered.
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: Remark: There was no any restriction on workers' freedoms to leave the site at the end of the workday. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility had no forced, trafficked or bonded labour. What's more, they would assessment the labour risk of its supplier regularly.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had provided the training about anti- forced / trafficked labour for all employees and management.

## 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 was no union at the site
- 2. There was one worker committee at the site, worker representatives were elected by employees.
- 3. The worker committee members were chosen by fellow employees.
- 4. There was one set of minutes to keep records of meeting between facility and worker representatives.
- 5. Employee interview confirmed that the members of the worker committee had been elected by fellow employees.

#### Evidence examined:

- 1. Social compliance system program and procedure
- 2. Suggestion box complain feedback
- 3. Meeting minutes
- 4. Employee interview and management interview
- 5. Employee handbook and employment contracts were reviewed. They both stated that employees were free to form trade unions. Nobody would be treated differently whether they were members of the worker committee.

#### Any other comments:

None

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:	Zhejiang Kanggu Packaging Co., Ltd. Worker Committee.	
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: Through EHS committee representatives, telephone, suggestion box, and their team leaders or above, etc.	
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 room available for the employee's committee to meet.	

Name of union and union representative, if applicable:	Not applicable. No union in 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?	One worker committee existed in the facility.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: All interviewees knew that Ms. Shi, Mr. Chen and Mr. Wang were their representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-01
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.	Yes. There were meeting minutes of the workers committee confirmed that they would meet with management once per 3 months. The latest worker committee meeting was conducted on 14 June 2023 about heatstroke prevention and wage issues in factory. The meeting minutes were posted on the notice boards.
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. Fei Teng / Vice General Manager was responsible for Health & Safety issues in 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 at all times to employees.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings showed that there were monthly meetings between the workers and the Facility Director, and each point was acted on.

### 2. Fire Safety

- There were at least 2 exits from each work area and these were clearly marked.
- Firefighting equipment was adequate and checks were up-to-date.
- Fire drills were organized and recorded every 6 months; all employees had participated in the fire drills.
- Training had been given by the local fire department and fire marshals had been specially selected for extra training.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed.
- The open directions of the safety exit doors were adequate.
- Evacuation routes were designed well with yellow lines and unblocked.
- Evacuation plans were posted at each safety exit and understood by all interviewed workers.

### 3. Electrical safety

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

### 4. Chemical safety

- Chemicals such machine oil, print ink, thinner, developer solution was used in the facility.
- Material Safety Data Sheets were available and there were hazard diagrams on chemical which needed careful handling.
- Employees in the workshop where chemicals were used confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

### 5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 4 first aiders and they had been trained at Jiaying Red Cross Society.

### 6. Machine Safety

- Protective devices were installed for the dangerous parts of all machines.
- The registration certificates and annual inspection reports of special appliance (forklifts) were valid and available for review.
- The operator's certificates of the special appliance (forklifts) were valid and available for review.

### 7. Kitchen and canteen hygiene conditions

- Valid Food Operation Permit for the kitchen was provided for review.
- All Kitchen staffs had valid health certificate.

### Evidence examined:



1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill records on 18 October 2022 and 28 February 2023
7. Trained first aiders register obtained in April 2021 with three years' validity
8. Reports for fire protection acceptance of the buildings used
9. Reports of construction completion acceptance of the buildings used
10. Accident reports
11. Chemical list and MSDS for the chemical used in the facility
12. Inspection reports of the special appliance (forklifts)
13. Certificates of operators for special appliance
14. Food Operation Permit and health certificate for kitchen staffs
15. Interviews with H&S manager
16. Interviews with employees and H&S committee members

### Any other comments:


None

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: All employees receive regular and recorded health & safety training such as fire drill.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies included in worker's manual
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 additions
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: All visitors were provided with personal protective equipment when they were on the site with occupational hazards area.
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: No medical room in facility, 5 first aid kits and 4 first aiders were available.
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 4 first aiders available in facility.
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: Not applicable, no transport provided by facility
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. No living space was provided
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: Recent assessment conducted on 1 June 2023.
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: During document review and facility tour, the facility obtained the environment impact assessment report, environmental impact approval and environmental protection acceptance checks report for completed construction project for review.

<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>During document review and facility tour, the facility had obtained the environment impact assessment document as legal requirement. No banned chemical used in the facility.</p>
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Non-Compliance		Evidence																													
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600105730</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>327 - Storage of goods not in line with legal requirements (e.g. too high)</td></tr><tr><td>Subcategory</td><td>Hygiene Facilities &amp; Housekeeping</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td>The facility management stated some employees ignore the requirement.</td></tr><tr><td>Local law issue</td><td>In accordance with General Rules for Fire Safety Management of Storage Occupancies XF 1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>Partial goods in the warehouses were stacked against the wall and pillar. During facility tour, auditor noted that partial goods in the warehouses were stacked against the wall and pillar directly.  企业仓库部分货物靠墙靠柱堆放。通过现场巡查，审核员发现企业仓库部分货物靠墙靠柱堆放。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><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"/> <input type="checkbox"/></td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600105730	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	Subcategory	Hygiene Facilities & Housekeeping	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	Root cause - Other	The facility management stated some employees ignore the requirement.	Local law issue	In accordance with General Rules for Fire Safety Management of Storage Occupancies XF 1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.	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. 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	365 days	Other	
Actions	The facility management stated that they would remove the goods to ensure the distance as per national standard. Strengthen the management and provided training for relevant employees.		

Good Example		Evidence																			
<a href="#">[Back to findings summary]</a>																					
<table><tr><th colspan="2">Good Example</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600105736</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>155 - Site has internationally recognised health and safety certification e.g. OHSAS 18000</td></tr><tr><td>Subcategory</td><td>Health &amp; Safety Management</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><p>The facility obtained ISO45001: 2018 certificate (certificate no.: N.CN23-10560C), valid period was from 16 May 2023 to 15 May 2026.</p><p>企业获得ISO45001: 2018证书(证书号: N.CN23-10560C), 有效期从2023年5月16日到2026年5月15日。</p></td></tr><tr><td>Evidence</td><td>Document review</td></tr></table>			Good Example		Status	OPEN	Reference	ZAF600105736	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	155 - Site has internationally recognised health and safety certification e.g. OHSAS 18000	Subcategory	Health & Safety Management	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	<p>The facility obtained ISO45001: 2018 certificate (certificate no.: N.CN23-10560C), valid period was from 16 May 2023 to 15 May 2026.</p> <p>企业获得ISO45001: 2018证书(证书号: N.CN23-10560C), 有效期从2023年5月16日到2026年5月15日。</p>	Evidence	Document review	<div></div> <div><a href="#">ISO45001 certificate.JPG</a></div>
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Evidence	Document review																				

#### 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. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
3. There was a written child labour remediation procedure though there was no child labour in the facility.
4. The written worker roster was available.
5. The worker's personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 19 years old.
6. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.

##### Evidence examined:

1. The employee's personnel files were provided for review. Each file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
2. The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labour under the age of 16 years old.
3. Facility tour
4. Management interview and employee interview.

##### Any other comments:

None

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: Not applicable. No worker under 18 worked in 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. The local minimum wage standard was set at RMB 2070 per month equivalent to RMB 11.9 (2070/21.75/8) per hour since 1 August 2021.
2. All employees' wages were calculated on hourly rate basis. Based on provided payroll records, the minimum wage paid by the facility was RMB 14 per hour.
3. Based on provided records, 150% and 200% normal rate were paid by facility for employees' overtime working in normal working days and rest days respectively. And no work was arranged on official public holidays
4. The wages mechanism was well organized with a good controlled set of processes which were understood by all employees.
5. All employees were 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 were paid.
6. Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate employees.
7. 26 employees' payroll and attendance records from May 2023 (current month), 26 employees' payroll and attendance records from March 2023 (random month) and 26 employees' payroll and attendance records from October 2022 (random month) were reviewed respectively in this audit. All employees were paid in cash on or before 25th of next month. Each employee was given a pay slip.
8. Through document review and facility tour, no inconsistent was found between production records and provided attendance records.
9. Based on the provide records and employee interview, the facility proved paid leaves such as annual leave, sick leave, maternity leave etc. to employee as per law.
10. Social insurance document from June 2022 to May 2023 was provided for review in this audit. According to the social insurance receipt of May 2023 (current month), auditor found that there were all 253 unretired employees (excluding 15 retirees) in the facility, all 253 employees had participated in unemployment insurance, basic endowment insurance, basic medical insurance, maternity insurance and employment injury insurance. In addition, the facility purchased the commercial accident insurance for 15 retirees, which valid from 30 October 2022 to 29 October 2023.

### Evidence examined:

1. Payroll records from August 2022 to May 2023 and attendance records from 1 August 2022 to 9 July 2023 were reviewed.
2. Production records: daily production records and material in records.
3. Wage policy
4. Leave management policy
5. Social insurance receipts
6. Management and employee interview

### Any other comments:

None

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 18.0 Per Month: 76.0	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: 2070.0	Actual Per Day: 112.0 Per Week: 560.0 Per Month: 2576.0	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: 0.0 Per Week: 0.0 Per Month: 0.0	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)	26 samples for May 2023 (current month) 26 samples for March 2023 (random month) 26 samples for October 2022 (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 type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 14 per hour		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:NA, no bonus found. 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:	Personal part of social insurance fee and personal income tax fee if applicable.		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Please list all deductions that have been made.	None
Please list all deductions that have not been made.	<p>1. Personal part of social insurance fee 2. personal income tax fee</p> <p>Please describe: Personal part of social insurance fees were paid by the facility; employees' paid wages did not reach personal income tax standard.</p>
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: All time worked were paid</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 facility conducted once internal audit per year to check the compliance of wages.</p>
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Through facility rules review, payroll records review and employee interview, it was confirmed that equal rates were being paid for equal work.</p>
How are workers paid:	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque  <input 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. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. The facility used electrical attendance system (IC card) to keep all employees working hours and then based on the attendance records to calculate wages.
3. In this audit, auditor had randomly selected material delivery records and production records. And crosschecked these records with payroll records and attendance records, and through employee interview, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
4. According to provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week with no more than 3 hours overtime per day on weekdays and no overtime on holidays.
5. Based on provided attendance records, employees had at least 1 day off per week.
6. Based on the attendance records provided by the facility, the overtime status please refer to below:  
0-2 hours/ day in May 2023 (current month)  
0-2 hours/ day in March 2023 (random month)  
0-2 hours/ day in October 2022 (random month)  
  
8-18 hours/ week in May 2023 (current month)  
8-18 hours/ week in March 2023 (random month)  
18-18 hours/ week in October 2022 (random month)  
  
74-76 hours/ month in May 2023 (current month)  
70-70 hours/ month in March 2023 (random month)  
68-68 hours/ month in October 2022 (random month)

### Evidence examined:

1. Employee interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Time records in electronic keeping system
6. Sample pay slips with recorded hours all employees interviewed
7. Employees contracts
8. Attendance records from 1 August 2022 to 9 July 2023 were reviewed.
9. Materials delivery records and production records to cross check hours

### Any other comments:

None

Working hours' analysis	
<b>Systems &amp; Processes</b>	
What timekeeping systems are used?	Electrical (IC card) attendance record system
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
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
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT: 2 hours/ day in May 2023 (current month) 2 hours/ day in March 2023 (random month) 2 hours/ day in October 2022 (random month)  18 hours/ week in May 2023 (current month) 18 hours/ week in March 2023 (random month) 18 hours/ week in October 2022 (random month)  76 hours/ month in May 2023 (current month) 70 hours/ month in March 2023 (random month) 68 hours/ month in October 2022 (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: Not applicable
Approximate percentage of total workers on highest overtime hours:	32.1%
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: Through handbook and employee interview.
<b>Overtime premium</b>	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of normal rate was paid to employees for their overtime on normal days, 200% of normal rate was paid to employees for their overtime on rest days. No overtime on public holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers paid at a premium monthly
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.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	N/A. As per local law, the facility should pay no less than 150%, 200% and 300% of normal rate for employees' overtime working in normal working days, rest days and official public holidays respectively.
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)	<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)
Please give details	Not applicable. The maximum weekly hours were 58 hours according to provided records.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Not applicable. The maximum weekly hours were 58 hours according to provided records.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Overtime hours were being used for increased order volumes and lack of workers.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No





Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Status	OPEN	
Reference	ZAF600105731	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	The facility management stated that production was busy.	
Local law issue	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	
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	<p>Overtime hours exceeded the legal requirement. Through document review, it was noted that 1) In May 2023 (current month), the monthly overtime hours of all 26 randomly selected employees were 74-76 hours. 2) In March 2023 (random month), the monthly overtime hours of all 26 randomly selected employees were 70 hours. 3) In October 2022 (random month), the monthly overtime hours of all 26 randomly selected employees were 68 hours.</p> <p>加班时间超过法规要求。通过文件审核，审核员发现：1) 2023年5月（当前月），所有随机抽取的所有26名员工的月加班为74-76小时；2) 2023年3月（随机月），所有随机抽取的所有26名员工的月加班为70小时。3) 2022年10月（随机月），所有随机抽取的所有26名员工的月加班为68小时。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	

NC Overtime hours exceeded the legal requirement..jpg



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 facility management stated that they would control overtime hours with the legal requirement. Add more employees when the production is busy.	

## 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. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. Equal pay for equal job in the facility.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
7. There was no evidence of sexual harassment.

#### Evidence examined:

1. No-discrimination policy was reviewed.
2. Employment contracts were provided for review and they showed that male and female employees were on the same pay grade.
3. Facility tour
4. Management interview and employee interview

#### Any other comments:

None

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 70.0%Female: 30.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2 employees as technical roles, such as QC post, sampling worker.		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A, none observed		
Professional Development			
What type of training and development are available for workers?	Human rights training, such as fire safety training, PPE training, machine operating training, occupational health training, benefit and working hours and etc.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
2. The facility signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves.
3. All employees received pay slip in their own language when they were paid.
4. No subcontractor was used.
5. The effective management system was in place to identify and monitor the hiring and management of all workers. The local workers and migrant workers were hired legally and treated equally in the facility.
6. No temporary worker and apprenticeship scheme existed in the factory. No home-working existed in the factory.
7. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.

### Evidence examined:

1. The Recruitment and termination practices
2. Personal files with labour contracts and ID copies for the employees
3. Payroll records were provided for review.
4. Trainings records about the recruitment policy and procedure.
5. Management interview and employee interview

### Any other comments:

None

## Responsible Recruitment

### All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Migrant Workers</b>	
Type of work undertaken by migrant workers:	Migrant employees worked in all production processes and non-production post.
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: N/A. No such deduction
Is there any observation on this finding?	N/A. No such deduction
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 There were 3 migrant employees who were working in management, skilled, technical role.
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>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.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. Site did not use agencies
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: N/A. Site did not use agencies
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: N/A. Site did not use agencies
<b>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.)</b>	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: N/A. No contractor used by the facility

<p>Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No contractor used by the facility</p>
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### 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, no subcontracting or homeworking used by the facility and all processes were conducted in the facility.
2. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

#### Evidence examined:

1. Written procedure of subcontracting management system
2. Production record was provided for review and there was no sign of subcontracting or homeworking.
3. Management interview
4. Employee interview

#### Any other comments:

None

### 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. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure.

2. As per management interview, document review and employees' interview, there was a policy on Harsh Treatment.

3. There was an internal process for grievance, which was a suggestion box, where employees could report grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

**Evidence examined:**

1. Facility's inhumane treatment policy was reviewed. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment or verbal abuse or other forms of intimidation should be prohibited.

2. Disciplinary procedure

3. Management interview and employee interview

**Any other comments:**

None

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?

☒ Yes ☐ No

Please give details:

Suggestion box

If yes, are workers aware of these channels and have access? Please give details.

The workers could express their own feeling by suggestion box.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

Suggestion box

Which of the following groups is there a grievance mechanism in place for?

☒ Worker

☒ Communities

☒ Suppliers

☐ Other

Please provide grievance mechanism details

There was suggestion box for reporting grievances.

Are there any open disputes?

☐ Yes ☒ 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. Per document review, facility management representation and employee interview, 55 employees were local employee from Zhejiang Province, and 213 employees were migrant from other provinces of China, including Anhui, Gansu, Henan, Guangdong, Guangxi, Guizhou, Hubei, Hunan, Jiangsu, Jiangxi, Shandong, Shanxi, Sichuan, Yunnan Province, Shanghai City and Chongqing City. No foreign employees were in facility. All employees had the proper legal rights to work in this region. The youngest age was 19 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
2. No agency staff was used by the facility.

**Evidence examined:**

1. Employment procedure
2. Personal files
3. Labour contracts
4. Management and employee interview

**Any other comments:**

None

### 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 facility had established written environmental policy.
2. The facility conducted some training for all employees on the avoidance of environmental impact.
3. One manager, Mr. Fei Teng/General Manager was responsible for continuous improvements in their environmental performance.
4. The required environmental certificates: the environmental impact assessment (EIA) document for construction project, EIA approval and environmental protection acceptance checks report were obtained by the facility.
5. The facility had relevant system in place to monitor end client's environmental standards/code requirements.
6. Industrial waste air was generated from production process, and monitoring report for waste air of 2022 was provided for review.
7. Hazardous wastes, such as waste empty containers with paint, developer solution and waste paint slag were transferred to qualified union.
8. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

#### Evidence examined:

1. Environmental training records and EIA document
2. Environmental policy
3. Employee and management interview.
4. Facility tour


#### Any other comments:


None

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Shi Jiangtao / 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 facility had conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks. All related records had been provided for review.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 1. The facility obtained ISO14001: 2015 certificate (certificate no.: 16421E30871R0M), valid period was from 4 May 2023 to 29 November 2024. 2. The facility obtained ISO50001:2018 certificate (certificate no.: N.CN23-105601), valid period was from 17 May 2023 to 16 May 2026.
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: It addressed the key impacts from their operations and their commitment to improvement.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility obtained FSC COC certificate (certificate no.: SGSHK-COC-320919), valid period was from 13 May 2022 to 15 June 2026.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Such as environmental impact assessment (EIA) document, EIA approval and environmental protection acceptance checks report.
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: All related records had been provided for review.
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: The facility had established related 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: Reduction targets were established to reduce costs.	
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: All related records had been provided for review.	
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 facility had established related system.	
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: All related records had been provided for review.	
<b>Usage/Discharge analysis</b>		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	4047300	1743990
Renewable Energy Usage: Kw/hrs	2088570	779660
Gas Energy Usage: Kw/hrs	4008	2004
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	•Municipal water supply	•Municipal water supply
Water Volume Used	29320	14699
Water Discharged	Municipal sewage treatment plant	Municipal sewage treatment plant
Water Volume Discharged	29320	14699
Water Volume Recycled	0	0
Total waste produced	127 tons	63 tons
Total hazardous waste produced	42 tons	21 tons
Waste to recycling	81.9 tons	40.4 tons
Waste to landfill	3.1 tons	1.6 tons
Waste to other	3.1 tons kitchen wastes were transferred to local waste treatment Co., Ltd. 42 tons hazardous waste to qualified unit for disposal Rest 81.9 tons normal wastes (such as wastepaper) were submitted to local sanitation company.	1.6 tons kitchen wastes were transferred to local waste treatment Co., Ltd. 21 tons hazardous waste to qualified unit for disposal Rest 40.4 tons normal wastes (such as wastepaper) were submitted to local sanitation company.

Total Product Produced	16156 tons	7836 tons
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Good Example		Evidence																			
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<table><tr><th colspan="2">Good Example</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600105734</td></tr><tr><td>Clause</td><td>10B4 - Environment 4–Pillar</td></tr><tr><td>Issue Title</td><td>615 - The site has an internationally recognised environmental certificate e.g. ISO 14000</td></tr><tr><td>Subcategory</td><td>General Environmental Permits, &amp; Management systems</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><p>The facility obtained ISO14001: 2015 certificate (certificate no.: 16421E30871R0M), valid period was from 4 May 2023 to 29 November 2024.</p><p>企业获得ISO14001: 2015证书(证书号: 16421E30871R0M), 有效期从2023年5月4日到2024年11月29日。</p></td></tr><tr><td>Evidence</td><td>Document review</td></tr></table>			Good Example		Status	OPEN	Reference	ZAF600105734	Clause	10B4 - Environment 4–Pillar	Issue Title	615 - The site has an internationally recognised environmental certificate e.g. ISO 14000	Subcategory	General Environmental Permits, & Management systems	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	<p>The facility obtained ISO14001: 2015 certificate (certificate no.: 16421E30871R0M), valid period was from 4 May 2023 to 29 November 2024.</p> <p>企业获得ISO14001: 2015证书(证书号: 16421E30871R0M), 有效期从2023年5月4日到2024年11月29日。</p>	Evidence	Document review	<div></div> <div><a href="#">ISO14001 certificate.JPG</a></div>
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Evidence	Document review																			



**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. Fei Teng / Vice General Manager had been designated person responsible for implementing standards concerning Business Ethics.
2. Training for relevant staff on taking action to Business Ethics issue had been provided for review.
3. The site had received and read the Business Ethics policy of the auditor/audit company.
4. There were some internal grievance processes, which was a management suggestion box.
5. There was a system in place to monitor end client's Business Ethics standards/code requirements.

**Evidence examined:**

1. The company business ethics policy including Bribery and Corruption.
2. Employee handbook
3. Records from anonymous suggestion scrip.

**Any other comments:**

None

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 facility had established internal policy on business ethics policy and communicated to the third parties including all suppliers.

Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had provided training to relevant personnel (e.g. sales and logistics) on business ethics issues.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had updated the Business Ethics Policy regularly.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Relevant documents provided for review.

## Attachments



Suggestion box.JPG



Sprinkler and smoke detector system.JPG



PPE (gas mask and ear plugs).JPG



Warning sign.JPG



Power box.JPG



Emergency indication sign.JPG



Cargo lift.JPG



Notice board.JPG



Evacuation plan.JPG



Toilet.JPG



Fire safety control system.JPG



Kitchen.JPG



Drinking water.JPG



Exit sign, fire alarm and emergency light.JPG



Raw material warehouse.JPG



Waste gas treatment facility.JPG



Fire hydrant and fire extinguishers.JPG



Platemaking workshop.JPG





First aid kits.JPG



Canteen.JPG



Hazardous factors warning sign.JPG



Printing workshop.JPG



Eye washing facility.JPG



Chemical warehouse.JPG



Covering workshop.JPG



Gluing and packaging workshop.JPG



Finished production warehouse.JPG



Gluing workshop.JPG



Mixing workshop.JPG



Cutting workshop.JPG





Facility name.JPG



Corrugating workshop.JPG



Die cutting workshop.JPG



Electronic attendance system machine.JPG



Packing workshop.JPG



Facility address.JPG





Moulding workshop.JPG



Facility gate.JPG



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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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