



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1025055	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 413276414
Business name (Company name):	Xinjiang Fufeng Biotechnologies Co., Ltd. 新疆阜丰生物科技有限公司		
Site name:	Xinjiang Fufeng Biotechnologies Co., Ltd. 新疆阜丰生物科技有限公司		
Site address: <i>(Please include full address)</i>	No.188,Fangzheng East Street, Gan Quan Pu Economic and Technological Development Zone ,Urumqi City, Xinjiang Province ,PRC 新疆乌鲁木齐市甘泉堡经济技术开发区方正东街188号	Country:	China
Site contact and job title:	Mr. MENG LING JIE/Quality Management Manager		
Site phone:	+86 18699578677	Site e-mail:	1849755317@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	June 07-10, 2021		

Audit Company Name & Logo: DNV Business Assurance China 	Report Owner (payer): Xinjiang Fufeng Biotechnologies Co., Ltd.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

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

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Erick Tang APSCA number: 21702349

Lead auditor APSCA status: Registered Auditor

Team auditor: None APSCA number:

Interviewers: Erick Tang APSCA number: 21702349

Report writer: Erick Tang

Report reviewer: Jie Liao

Date of declaration: June 10, 2021

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				Nil
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
3. Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	3			<p>Summary of Non-Compliance finding 1: Two barrels of antifoaming agent without corresponding MSDS.</p> <p>Summary of Non-Compliance finding 2: The factory's buildings had not obtained the construction project completion acceptance reports.</p> <p>Summary of Non-Compliance finding 3: No emergency evacuation map in the factory canteen.</p>
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
5. Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil

6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil
10A	<u>Entitlement to Work</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil
10B2	<u>Environment 2-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			N/A
10B4	<u>Environment 4-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil
10C	<u>Business Ethics</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Nil

General observations and summary of the site:

1. The factory was established in February 2012.
2. The main products in the factory were Manufacture of food grade additives (xanthan gum, gellan gum, pectin, branched-chain amino acids, L-leucine, L-valine, L-isoleucine, L-glutamine, L-histidine, L-arginine, L-tryptophan), other food (sodium hyaluronate, L-theanine), feed additives(L-leucine, isoleucine, valine, glutamine, L-tryptophan, L-arginine), and other biological products..
3. The manufacturing processes were Fermentation - Extraction - Centrifugation - Drying - Crushing - Packaging.
4. The factory had established the social accountability management system to manage the social accountability issues in the factory.
5. Mr. Fujiang Han / System Manager was responsible for compliance with the ETI basic code and applicable local legal requirements.
6. There were totally 708 permanent employees in the factory during the audit.
7. The youngest worker on site was 20 years old who was born on April 7, 2001 and joined the factory on August 26, 2018.
8. The peak and valley season were not obvious in the factory.
9. 42 workers were selected for interview, including 30 male workers and 12 female workers. They were interviewed as 6 group with 5 workers in each group and 12 workers were interviewed individually.
10. Standard working time was 5 days a week and 8 hours a day.

11. Based on provided payroll records, all workers were paid by hourly rate and minimum wage was guaranteed for all workers. The local legal minimum wage was RMB 1700 per month (RMB9.77 per hour). The factory paid at least RMB 1900 per Month (RMB10.92 per hour) as normal wage to workers.
12. The factory implemented 8 hours, 5 days per week as regular working hour system. Production workers worked 3 shifts with 4 groups (8 hours per shift, shift working times were 9:00 -17:00, 17:00-01:00, and 01:00-09:00, workers switched to another shift in every 3 days, and had a day off). Regular time of office staffs was 9:00-18:00. The factory paid 200% and 300% of regular rate for weekend overtime hours and statutory holidays overtime hours respectively. Workers did not work overtime in working day.
13. Based on provided attendance records, maximum overtime hours in sample were: 32 hours /month in May 2020; 32 hours/month in October 2020; 24 hours/month in April 2021. The weekly working hours did not exceed 60 hours, which were 48 hours.
14. Based on the recent 3 months' invoice receipts from February to May 2021, the factory provided the mandatory social insurance: accident, medical, maternity, unemployment insurance, retirement insurance to all employees.
15. The production building of the factory was in good conditions based on on-site observation.
16. No child labour or young worker was identified during the audit.
17. No forced labour was identified during the audit.
18. 7 worker representatives were elected in the factory. One worker representative attended the opening and closing meeting during this audit.
19. The factory had established procedures on health & safety, environment protection and business ethics. Mr. Qianzhi Zhuan/ Vice GM was the responsible person of health & safety, environment and business ethics issues.

This full initial audit was conducted by DNV GL Business Assurance China. One auditor assessed the facility operations against the ETI Base Code and local legislations on a sampling basis in 3.5 days.
During this audit there were totally 3 Non-compliances found in the section of "Safety and Hygienic Conditions", For details, please refer to relevant sections.

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

Site Details

Site Details																				
A: Company Name:	Xinjiang Fufeng Biotechnologies Co., Ltd. 新疆阜丰生物科技有限公司																			
B: Site name:	Xinjiang Fufeng Biotechnologies Co., Ltd. 新疆阜丰生物科技有限公司																			
C: GPS location: (If available)	GPS Address:	Latitude: N 44°13'19" Longitude: E 87°44'30"																		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No. 91650100589323493W Valid from February 15, 2012 to long term The production permit of food additives: No. SC20165010600072, issued on Feb. 02, 2021, expiry date: June 02, 2024.																			
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of food grade additives (xanthan gum, gellan gum, pectin, branched-chain amino acids, L-leucine, L-valine, L-isoleucine, L-glutamine, L-histidine, L-arginine, L-tryptophan), other food (sodium hyaluronate, L-theanine), feed additives(L-leucine, isoleucine, valine, glutamine, L-tryptophan, L-arginine), and other biological products.																			
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Xinjiang Fufeng Biotechnologies Co., Ltd. located at No.188, Fangzheng East Street, Gan Quan Pu Economic and Technological Development Zone , Urumqi City, Xinjiang Province, PRC. The facility was established on Feb. 15, 2012.</p> <p>The factory covered about 1200000 SQ meters. It consisted of three 2-storey production buildings, three 1-storey production office buildings and three 1-storey warehouse buildings. In addition, there are 1 power plant, 1 sewage treatment station, 1 raw material warehouse, 1 canteen, 1 employee activity center, 10 5-story dormitory buildings for employees, and 1 5-story office building in the factory.</p> <table border="1"> <thead> <tr> <th>Production Building 1 (No. 1 production line)</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Machine of No. 1 production line</td> <td></td> </tr> <tr> <td>Floor 2</td> <td>Machine of No. 1 production line</td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> <tr> <th>Production Building 2</th> <th>Description</th> <th>Remark, if any</th> </tr> <tr> <td>Floor 1</td> <td>Office of No. 1 production line</td> <td></td> </tr> </tbody> </table>		Production Building 1 (No. 1 production line)	Description	Remark, if any	Floor 1	Machine of No. 1 production line		Floor 2	Machine of No. 1 production line		Is this a shared building?	No		Production Building 2	Description	Remark, if any	Floor 1	Office of No. 1 production line	
Production Building 1 (No. 1 production line)	Description	Remark, if any																		
Floor 1	Machine of No. 1 production line																			
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Is this a shared building?	No																			
Production Building 2	Description	Remark, if any																		
Floor 1	Office of No. 1 production line																			

	Is this a shared building?	No	
	Production Building 3	Description	Remark, if any
	Floor 1	Warehouse of No. 1 production line	
	Is this a shared building?	No	
	Production Building 4(No. 2 production line)	Description	Remark, if any
	Floor 1	Machine of No. 2 production line	
	Floor 2	Machine of No. 2 production line	
	Is this a shared building?	No	
	Production Building 5	Description	Remark, if any
	Floor 1	Office of No. 2 production line	
	Is this a shared building?	No	
	Production Building 6	Description	Remark, if any
	Floor 1	Warehouse of No. 2 production line	
	Is this a shared building?	No	
	Production Building 7(No. 3 production line)	Description	Remark, if any
	Floor 1	Machine of No. 3 production line	
	Floor 2	Machine of No. 3 production line	
	Is this a shared building?	No	
	Production Building 8	Description	Remark, if any
	Floor 1	Office of No. 3 production line	
	Is this a shared building?	No	
	Production Building 9	Description	Remark, if any
	Floor 1	Warehouse of No. 3 production line	
	Is this a shared building?	No	
	Power plant building	Description	Remark, if any
	Floor 1	Power plant	

	Is this a shared building?	No	
	Sewage treatment station building	Description	Remark, if any
	Floor 1	Effluent treatment plant	
	Is this a shared building?	No	
	Raw material warehouse building	Description	Remark, if any
	Floor 1	Raw material warehouse	
	Is this a shared building?	No	
	Canteen building	Description	Remark, if any
	Floor 1	Kitchen, canteen	
	Is this a shared building?	No	
	Employee activity center building	Description	Remark, if any
	Floor 1	Employee activity center	
	Is this a shared building?	No	
	Dormitory buildings 1-10	Description	Remark, if any
	Floor 1	Dormitory rooms	
	Floor 2	Dormitory rooms	
	Floor 3	Dormitory rooms	
	Floor 4	Dormitory rooms	
	Floor 5	Dormitory rooms	
	Is this a shared building?	No	
	Office building	Description	Remark, if any
	Floor 1	Meeting room, laboratory, office room for Quality	
	Floor 2	Meeting room , office room for project	
	Floor 3	management office	
	Floor 4	Meeting room , office room for finance	
	Floor 5	Meeting room , office room for R&D	
	Is this a shared building?	No	

	<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: N/A</p> <p>F3: Does the site have a structural engineer evaluation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F4: Please give details: The production buildings were integrated and safe, but the factory had not provided the construction project completion acceptance reports for review.</p>
<p>G: Site function:</p>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
<p>H: Month(s) of peak season: (if applicable)</p>	<p>No obvious peak season</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>Food grade additives (xanthan gum, gellan gum, pectin, branched-chain amino acids, L-leucine, L-valine, L-isoleucine, L-glutamine, L-histidine, L-arginine, L-tryptophan), other food (sodium hyaluronate, L-theanine), feed additives(L-leucine, isoleucine, valine, glutamine, L-tryptophan, L-arginine), and other biological products.</p> <p>Production process: Fermentation - Extraction - Centrifugation - Drying - Crushing - Packaging</p> <p>Main machines: Seeds cans, Fermentation cans, Air filtration system, Extraction cans, Plate and frame filter, Centrifuge, Screening machine, Crushing machine, Packaging machine</p>
<p>J: What form of worker representation / union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
<p>K: Is there any night production work at the site?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: If yes, approx. 100% of workers in on site accommodation

<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details</p>

Audit Parameters				
A: Time in and time out	Day 1 Time in: 9:00 Day 1 Time out: 18:30	Day 2 Time in: 9:00 Day 2 Time out: 18:30	Day 3 Time in: 9:00 Day 3 Time out: 18:30	Day 4 Time in: 9:00 Day 4 Time out: 12:00
B: Number of auditor days used:	3.5 (one auditor 3.5 days)			
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define			
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced			
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?			
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause			
G: Who signed and agreed CAPR (Name and job title)	Mr. MENG LING JIE/Quality Management Manager			
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I: Previous audit date:	N/A			
J: Previous audit type:	N/A			
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A			

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	21	0	0	484	0	0	0	505
Worker numbers – female	6	0	0	175	0	0	0	181
Total	27	0	0	659	0	0	0	686
Number of Workers interviewed – male	4	0	0	26	0	0	0	30
Number of Workers interviewed – female	2	0	0	10	0	0	0	12
Total – interviewed sample size	6	0	0	36	0	0	0	42



A: Nationality of Management	China	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: <u>China</u></p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: N/A</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 <u>100</u></p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: <u>100</u>% hourly paid workers</p> <p>D2: _____% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: <u>100</u>% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	6 groups with 5 workers in each group	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 8	D2: Female: 4
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details N/A	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	No worker complained anything during the interview.	
I: What did the workers like the most about working at this site?	Salary, on-time payment	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	All workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: N/A		

M: Attitude of workers:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

42 workers were selected for interview including 30 male and 12 female employees, 12 were interviewed individually and others were interviewed as 6 groups with 5 workers in each group. The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory and the current wages. They felt free to leave this employer. They had good relationships with their supervisors and managers who treated them with respect. They could make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions accepted. They felt they could complain directly to their supervisors but also felt free to give their general concerns to their worker representatives who would take it to the top management.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

Interviewed with a worker representative, she said factory management was very care about workers and paid more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. Few complaints were issued from the workers. No negative information was identified.

O: Attitude of managers:

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

The facility management showed a positive attitude to this audit during the whole process. At the end of the audit, all findings and suggested corrective actions were accepted by the facility management.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had ETI policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all appropriate parties, including its own suppliers.
2. Mr. Fujiang Han / System Manager was appointed as the responsible person for implementing standards concerning Human rights;
3. The factory had identified their stakeholders and salient issues;
4. The factory had measured its direct, indirect, and potential impacts on stakeholders (rights holders) human rights, take the actions to address the impacts.
5. The factory established procedure to distribute updated human rights requirements to its stakeholders (rights holders) timely and arranged regular training for stakeholders (rights holders) on updated contents and retained records.
6. The factory provided a confidential reporting channel to its workers and suppliers to report human rights issues without fear of reprisals towards the reporter.

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

Details:

1. Code of Conduct
2. Appointment records
3. Complaint records
4. ETI management manual
5. Training records for stakeholders

Any other comments:

None

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had an ETI management manual on human rights in place which expresses commitment to respect human rights, E.g., forbidden use of child labor; prohibition of forced labour; freedom of association; prohibition of discrimination; disciplinary practices, protection of intellectual property, comply with all related laws and regulations.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Fujiang Han Job title: System Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: The factory had a Complaint management procedure that addresses dealing with human rights impacts without fear of reprisals towards the reporter. For example: the factory had a suggestion box, hotline for managing grievances and complaints.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details N/A</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: All employee information and personnel files were kept by the HR department. Only authorized people could view it.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation:</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: _3.4_ %	A2: This year _4.6_ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2.1%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: _0.2_ %	C2: This year _0.3_ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0.2%	
E: Are accidents recorded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please describe: The written accident records indicated that no accident had ever occurred last one year.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months _0_ % workers	I2: 12 months _0_ % workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months __0__% workers	J2: 12 months __0__% workers
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0B: Management system and Code Implementation

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established related social accountability policies/ procedures,
2. The factory appointed Mr. Fujiang Han / System Manager to be responsible for compliance status of the social accountability system who had knowledge of applicable local legal requirements on labor rights, health and safety, environment and ETI Code.
3. Based on document review, the factory had established relevant documents and procedure on social accountability based on ETI COC and had a system to enforce the laws and regulations into the site's policies and procedures; the factory had posted ETI Base Code on site for employees' comprehension.
4. The factory conducted the internal audit on the March 05, 2021, the management review on the April 02, 2021.
5. The factory signed ETI agreement with its suppliers and conducted audit on them to extend the principles of this Ethical Code through its supply chain and monitored suppliers' ETI performance annually for continuous improvements.
6. The site was operating legally and had all required valid business license and permits.
7. The factory had all required land rights licenses and permissions, including land use warrant, and the factory kept the copies.

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

Details:

1. ETI policies and procedures.
2. ETI management manual.
3. Internal audit report and management review records.
4. Appointment records.
5. Training records.
6. ETI agreements with suppliers.
7. Suppliers audit reports.
8. Employee handbook
9. Applicable Legal requirements list;
10. Land use permit

<p>11. Business license</p> <p>Any other comments: None</p>

Management Systems:	
<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>A1: Please give details: Per management interview and search in local government's website, no record showed the factory was fined or prosecuted in the last 12 months.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>B1: Please give details: The factory established policies and procedures that reduce the risk of forced labour, child labour, discrimination, harassment & abuse.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Employee file and labour contract, recruitment posters</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: The factory had provided the training to management and workers.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: Training records for both management and workers were provided for review</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F1: Please give details: The factory obtained ISO 9001:2015; ISO14001:2015 and ISO45001:2018 ISO 9001:2015 Certificate No.: 00120Q39331R3M/3700 Valid from 11, Sept. 2020 to 10, Sept. 2023 ISO14001:2015 Certificate No.: 00118E34308R1M/3700 Valid from 22, Nov. 2018 to 17, Nov. 2021 ISO45001:2018 Certificate No.: 00118S32930R1M/3700 Valid from 28, Oct. 2020 to 02, Dec. 2021</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	G1: Please give details: There was a HR department in the factory. Mr. Guishi zhao / HR Manager was mainly responsible for HR issue
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Fujiang Han / System Manager
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: There was a personal information protection policy and designated HR personnel to manage workers' information and maintain data privacy. Workers' files were put in a specified place and locked. Any other person requesting information should apply and be approved by HR Manager.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Privacy protection policy and procedure were in place.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory had established risk assessment procedure according to the code and conducted risk assessments once a year.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The suppliers' qualification audit report required labour standards of suppliers, furthermore the facility had a supplier agreement in place which contains labour and social requirements.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory had all required land rights licenses and permissions. the factory provided the State-owned land use certificate for review.

<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: The factory had systems in place to conduct legal due diligence to recognize and apply national laws and practices related to land title and land use warrant.</p>
<p>P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The factory obtained the land from local government and compensated for this; the factory provided the State-owned land use certificate for review.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The facility did not have plan of land acquisition</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: There was no evidence of illegal appropriation of land for facility building or expansion of footprint.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: Recommended corrective action:</p>	<p>Objective evidence observed:</p>

Observation:	
<p>Description of observation: Local law or ETI requirement: Comments:</p>	<p>Objective evidence observed:</p>

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

1: Freely Chosen Employment

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ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory had established the effective employment policies & program that ensures employment is freely chosen, which including a policy or statement proportionate to the risks of Forced Labor in its production process.
2. The employees obtained their job through HR market or by friend's recommendation.
3. The workers were not required for paying deposits or holding their Identity papers to the factory at the beginning of employment.
4. The terms and conditions of employment in the factory employee handbook stated that the workers were free to leave the workplace outside of their working hours.
5. No forced, bonded or involuntary prison labor was identified during the audit.
6. The factory had signed the labor contracts with all employees. there were not abusive items in the labor contracts.
7. Based on site tour and worker interview, no compulsory overtime was found.
8. Based on site tour, document review, worker interview, no recruitment fee was found;
9. Based on site tour and worker interview, no workers were coerced into work through the use of threats, intimidation or physical abuses.

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

Details:

1. Personnel files;
2. Resignation records;
3. Factory employee handbook;
4. Labor contracts;
5. Factory rules;
6. Employment policies & program;

Any other comments:

None

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
 No

A1: If yes, please give details and category of workers affected: N/A

B: Is there any evidence of a loan scheme in operation

- Yes
 No

B1: If yes, please give details and category of worker affected: N/A

C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: N/A
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: There were no restrictions on employee termination.
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: The factory was not registered in the UK or has a branch in the UK.
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: All employees are free to leave the facility when not engaged in work.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory sent its code of conduct to suppliers which included the policy of prohibition of forced/trafficked/bonded labours.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory had established the effective policies and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days' notification.

Non-compliance:	
<p>1. Description of non-compliance:</p> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code:	Objective evidence observed:
Local law and/or ETI requirement	
Recommended corrective action:	

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

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

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

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The factory established policy on freedom of association to respect local legislation and The ETI Base Code on Freedom of association and collective bargaining.
- 2. There was no trade union in the factory.
- 3. There were 7 worker representatives in the factory, the worker representatives were elected by workers themselves freely.
- 4. The factory held the Worker representatives & management meeting quarterly. The latest meeting was conducted on June 03, 2021.
- 5. Through worker interview, the worker could give their opinion through worker representative or communicate with their supervisor.
- 6. Workers could raise their grievances or complaint to their worker representative or management directly.
- 7. No collective bargaining was in place in the factory.

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

Details:

- 1. Worker representative & management meeting records.
- 2. Site policy on freedom of association and collective bargain
- 3. Election evidence
- 4. Personal Files
- 5. Suggestion Box

Any other comments:

None

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

- Union (name)
- Worker Committee
- Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Workers could raise their concerns through telephone, suggestion box, directly communicating with the factory management. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory provided a meeting room to conduct committee meetings.	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There were 7 worker representatives.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N/A
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: March 02, 2021
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1 worker representative was interviewed.	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	The Worker representatives & management meeting was conducted quarterly and the latest one was conducted on June 03, 2021, the topics covered benefits of employees, company rules, the traffic safety and health situation. The meeting was lasted 60 minutes.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>

Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective evidence observed:</p>

3: Working Conditions are Safe and Hygienic

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
 - The factory collected and identified applicable H&S laws, regulations and requirements and maintained legal certificates, inspections, permits and records.
 - EHS risk assessments were conducted regularly with actions implementation for all types of workers, especially the most vulnerable ones, e.g. pregnant and lactating women, young workers, migrant workers.
 - Mr. Qianzhi Zhuan/ Vice GM was responsible for issue of Health & Safety in the factory.
 - The EHS meetings were hold quarterly.
 - Workers were received regular and recorded Health& Safety Training and such training were repeated for new or reassigned workers.
2. Personal Protective Equipment (PPE)
 - All workers were provided adequate personal protective equipment. all PPE were free of charge and available to them.
 - All workers were received relevant training about importance of use PPE and how to use PPE properly.
 - During the plant tour, it was noted all workers used the PPE appropriately.
3. EMERGENCY RESPONSE /FIRST AID / ACCIDENTS
 - Adequate emergency responses were established to identify the risks, and well documented. All workers were well trained and understood and followed the procedures (e.g. drills) and management favors safety over production.
 - Sufficient qualified first aiders and first aid kits were available in the factory.
4. Electrical safety
 - The factory maintained adequate records of regular and effective electrical inspections, which was done by electrician.
 - All electrical equipment such as sockets, plugs, switches and main fuse boards were maintained in good condition.
 - The competent electricians were employed by the factory and the qualification certificates were provided for review.
5. Fire Safety
 - Evacuation plans were posted in workshop and understood by all interviewed workers.

- Sufficient firefighting equipment such as fire extinguishers, fire alarm and hydrants were in production building. Regular inspections were taken by the factory per month.
 - The exit signs and emergency lights were installed on the gates in the workshop.
 - Checked the record, the fire drills were conducted in the factory semi-annually, the latest fire drill was conducted on May 12, 2021 and recorded.
6. Machinery safety
- All Machines were regularly maintained, and operated in a safe manner.
 - The equipment management personnel regularly maintained the equipment and kept the maintenance records.
7. Building safety
- The production building of the factory was integrated and safe, But during the document review, it was found that the factory's buildings had not obtained the construction project completion acceptance reports -- NC
 - No visible structural integrity issues observed.
8. Hygiene
- The facility was clean and hygienic based site tour.
 - Sufficient clean toilets segregated by gender were always available to workers.
 - Basic supplies, such as toilet paper, soap were available in the toilets.
9. Chemical safety
- Workers at the chemical storage area confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
 - Main chemicals used included hydrochloric acid (HCL), sodium hydroxide(NaOH), sulfuric acid(H2SO4)
 - During the plant tour, it was found that there were 2 barrels of antifoaming agent in the production workshop on first floor of xanthan gum without corresponding MSDS. -- NC
10. Worker Health
- Drinking water was available to workers.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - The factory had provided pre-job, on-job and post-job occupational disease health examinations to the employees who exposed to occupational hazardous workstation.
 - The factory had conducted the annual occupational hazard factor test at the workstation where the factors existed.
- 11 Canteen
- The factory canteen was clean and hygienic, with food service certificate, and all the cooks had the health certificates. But during the plant tour, it was found there was no emergency evacuation map in the factory canteen. -- NC
12. Dormitory
- The dormitory was safe and hygienic. Each employee had a private locker to store personal belongings.

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

Details:

1. Health and safety policy.
2. Health and safety manual.
3. Training records.
4. Fire equipment maintenance records.
5. Fire drill and evacuation drill records.
6. License/permit/testing report of fire safety
7. Chemical list and MSDS for each chemical
8. Trained First Aider Certificates
9. Risk assessment
10. Machine and Vehicles maintenance records
11. Blank Accident record

- 12. Electrician qualification certificates
- 13. portable water test report
- 14. ISO45001:2018 Certificate
- 15. Food service certificate and health certificates of food operators.

Any other comments:
None

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory had occupational health & safety policies and procedures which were communicated to workers.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The EHS policies were included in Employee's manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There was no structural additions without required permits/inspections.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The factory provided on-site safety precautions and training materials when went to the workshop and suitable PPE were provided.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No local legal requirement of medical room for such kind of factory, while there were first aid kits on site.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There were 5 qualified first aiders in factory.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory did not provide transport to workers, all workers lived in the factory dormitory.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal storage space was provided to workers who lived in dormitory rooms</p>
<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: EHS risk assessments were conducted regularly with actions implementation. For example: in</p>

Recommended corrective action:	
---------------------------------------	--

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

4: Child Labour Shall Not Be Used

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

- 1. The facility had established the recruitment procedure to ensure no recruitment of child labour.
- 2. All employees should be only hired by the HR department of the facility but not by any other department.
- 3. Employees' ID and photo should be checked. The employees without valid ID certificates should not be hired.
- 4. The roster and personnel files showed that the youngest employee of the facility was 20 years old.
- 5. The factory established a policy to protect young worker, which stated that the employer should arrange regular health checks for young workers, register in the local labour office as local law required, and no hazardous posts should be arranged to young workers.
- 6. The factory established child labour remediation procedure. No child labour was found during the audit.

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

Details:

- 1. Recruitment procedure.
- 2. Latest employee list.
- 3. Personnel files of all workers.
- 4. The facility's policy on child labour and young worker.

Any other comments:

None

A: Legal age of employment:	16
B: Age of youngest worker found:	20
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %

<p>E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details N/A</p>
---	--

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>

Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

5: Living Wages are Paid

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

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The factory established the compensation and benefits management procedure, wages were paid on time.
2. The local legal minimum wage was RMB 1700 per month (RMB9.77 per hour). The factory paid at least RMB 1900 per Month (RMB10.92 per hour) as normal wage to workers which was above the local legal requirement.
3. Payroll records from May 2020 to April 2021 were provided by the factory for checks. All workers were paid by hourly wages.
4. Based on the recent 3 months' invoice receipts from February to April 2021, the factory provided the 5 mandatory social insurance: accident, medical, maternity, unemployment insurance, retirement insurance to all employees.
5. Workers worked in 3 shifts with 4 group and each shift working hours is 8 hours, so no overtime work in normal working day. The factory paid 200% and 300% of regular rate for weekend overtime hours and statutory holidays overtime hours respectively.
6. All workers were paid before the 15th of next month by bank transfer system and each worker was given a pay slip.
7. Workers understood their wages, including clear contractual clauses, time recording systems and payslips
8. The factory had provided annual leaves, breastfeeding leave and maternity leave and so on for workers according to the benefit policy.
9. The employees who violated the factory rules would be warned, gigged or fired, no monetary fine for disciplinary purpose.

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

Details:

1. Social insurance receipt
2. Payrolls record from May 2020 to April 2021.
3. Attendance records from 1st May 2020 to the audit day
4. Leave request from employees.

- 5. Wages and benefits policy.
- 6. Local legal min wage documents.
- 7. Resignation records.
- 8. Contracts

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours a day and 40 hours a week	A1: 8 hours a day and 40 hours a week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 3 hours a day, 36 hours a month	B1: 0 hours in normal working day, 8 hours in a week, 32 hours a month in May 2020;	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		0 hours in normal working day, 8 in a week and total 32 hours a month in October 2020; 0 hours in normal working day, 8 hours in a week and total 24 hours a month in April 2021.	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: RMB 1700 per month (9.77 per hour)	C1: At least RMB 1900 per month (10.92 per hour)	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 150%, 200% and 300% of normal wages for overtime on weekdays, weekends and statutory holidays respectively	D1: 200% and 300% of regular rate for weekend overtime hours and statutory holidays overtime hours respectively, no OT in working days	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	N/A
B: Sample Size Checked <i>(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)</i>	42 samples from May 2020 (random month) 42 samples from October 2020 (random month) 42 samples from April 2021 (current month)
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details: N/A

<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details: N/A</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i></p> <p>Local minimum wage standards: RMB 1700 per month (9.77 per hour). The lowest basic wage paid to workers was RMB 1900 per month equivalent to RMB 10.92 per hour.</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: _100___% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i></p> <p>The factory provided post allowance to employees.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social insurance, personal income tax</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. social insurance 2. personal income tax</p> <p>Please describe:</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. 2.</p> <p>Please describe:</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>L1: Please give details: The provided attendance records reflect all working time of workers; this was confirmed through worker interview.</p>		
<p>M: Is there a defined living wage:</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>M1: Please specify amount/time: N/A</p>		

<p>This is <i>not normally</i> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</p>	
<p>M2: If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A</p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Basic needs of job workers plus discretionary income was considered by the factory to decide the lowest wage level annually</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Through factory rules review, payroll records review and employee's interviews, it was confirmed that equal rates are being paid for equal work</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:</p>

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had established Working Hours Management Procedure to ensure working hours meet the legal/ETI requirements, including
 - a. documented knowledge of the legislation and international labour standards as part of a policy on working hours.
 - b. procedures for recording and monitoring working hours;
 - c. monitoring systems that allows to regulate working hours;
2. Staffs and workers used fingerprint-scanning machine to record their working hours.
3. All the employees interviewed stated that they worked overtime on voluntary basis.
4. The factory implemented 8 hours, 5 days per week as regular working hour system. Production workers worked in 3 shifts with 4 groups (8 hours per shift, shift working times were 9:00 -17:00, 17:00-01:00, and 01:00-09:00, switched to another shift in every 3 days). Regular time of office staffs was 9:00-18:00 with one hour lunch time.
5. Through the employee interview and document review, the production records, leave records and information obtained from the interview were consistent with the provided attendance records. Reviewing time records of 42 samples in May 2020, October 2020 and April 2021 respectively,

the maximum monthly OT hours were 32, 32 and 24 hours respectively and the maximum weekly working hours were 48 hours, and all workers had at least one day off every seven days.

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

Details:

1. Local and national laws
2. Factory policy on working hours
3. Attendance records
4. Sample pay slips with recorded hours all workers interviewed
5. Workers contracts
6. 3 months' hours record to establish the highest and lowest hours over all employees
7. Quality and production records to cross check hours

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

Observation:

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Working hours' analysis

Please include time e.g. hour/week/month
(Go back to Key information)

Systems & Processes

A. What timekeeping systems are used: time card etc.	Describe: Fingerprint scanning machine				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details : N/A				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: 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):				
	3 days for all sampled worker, 5 days for office staffs				
Standard/Contracted Hours worked					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:			
		N/A			
	<input type="checkbox"/> Yes	H1: If yes, please give details:			

H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input checked="" type="checkbox"/> No	N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OT hours:</p> <p>0 hours in working day, 8 hours in a week and total 32 hours a month in May 2020;</p> <p>0 hours in working day, 8 hours in a week and total 32 hours a month in Oct. 2021;</p> <p>0 hours in working day, 8 hours in a week and total 24 hours a month in Apr. 2021</p>	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	__50__%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<p>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</p> <p>Based on workers interview, overtime was voluntary.</p>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<p>M1: Please give details of normal day overtime premium as a % of standard wages:</p> <p>150%, 200% and 300% of normal wages for overtime on weekdays, weekends and statutory holidays respectively</p>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency:</p> <p>200% and 300% of normal wages for overtime on weekend and statutory holidays respectively. No overtime working in working days.</p>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

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

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

1. Anti-discrimination policy was established to eliminate the discrimination in the workplace and HR manager was responsible for the management of this item of the code.
2. The facility provides the same pay to male/female employees.
3. Interviewees stated they did not experience and never heard of reporting issues of discrimination.
4. There was no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
5. No medical testing for pregnancy or examinations of the hepatitis B virus and HIV was found or reported;
6. Anonymous report channel was provided for all employees to report discrimination issues.

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

Details:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payroll records.
3. Attendance records.
4. Termination and resignation records.
5. Training records.
6. Complaint records

Any other comments:

None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: <u>92</u> % A2: Female <u>8</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	17
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found C1: Please give details: N/A
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Professional Development

A: What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, Technical training on machine operation, three-level safety training, job skills, etc.
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A
--	---

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: Recommended corrective action:	Objective evidence observed:

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

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

8: Regular Employment Is Provided

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

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

1. All employees were recruited by the factory directly. No labor agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditors.
2. The factory signed labor contract with all employees within one month after employment and issued one copy to them.
3. No contractor workers were working on-site.
4. All workers understand their terms of employment.

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

Details:

1. The hiring and termination practices.
2. Personnel files.
3. Payroll records were provided for review.
4. Labor contracts

Any other comments:

None

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>
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Observation:	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Responsible Recruitment

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

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

Migrant Workers:	
<i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>	
A: Type of work undertaken by migrant workers:	Same work type as local workers, no difference.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: There were 23 migrant employees in management roles and 19 migrant workers in skilled and technical roles.

NON-EMPLOYEE WORKERS

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

Agency Workers (if applicable)	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: 0
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A

<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: N/A</p>
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Contractors: <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
<p>A: Any contractors on site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>A1: If yes, how many contractors are present, please give details: N/A</p>
<p>B: If Yes, how many workers supplied by contractors?</p>	<p>N/A</p>
<p>C: Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please describe finding: N/A</p>
<p>D: If Yes, please give evidence for contractor workers being paid per law:</p>	<p>N/A</p>

8A: Sub-Contracting and Homeworking

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

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

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

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

Details:

1. Production records
2. Quality records.
3. Payroll records were provided for review.
4. Goods coming out and in records

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
- NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

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

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

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: N/A
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details: N/A
C: Number of sub-contractors/agents used:	N/A
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: N/A
E: What checks are in place to ensure no child labour is being used and work is safe?	N/A

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: N/A		
B: Number of homeworkers	B1: Male: N/A	B2: Female: N/A	Total: N/A
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents	C1: If through agents, number of agents:	

	N/A	
		N/A
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	
E: How does the site ensure worker hours and pay meet local laws for homeworkers?	N/A	
F: What processes are carried out by homeworkers?	N/A	
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: N/A	
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

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

ETI

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Workers could report the human rights and H&S issues to local government departments, such as labour protection bureau, Safety Administration Bureau or to local media
B: If Yes , are workers aware of these channels and have access? Please give details.	Yes, during interview, workers stated that they knew the channel to report any concerns.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Hotlines
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Workers could raise grievances to worker representatives, supervisors, team leaders, or managers directly or to top management through suggestion boxes, hotline, WeChat. Communities and suppliers could raise grievance through hotline.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details N/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain N/A

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

Current Systems and Evidence Examined

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

Current systems:

1. According to the documentation, the factory management had established a disciplinary procedure for all 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. Worker interview confirmed that workers were aware of the disciplinary procedure;
2. As per management interview, document review and workers interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, there were suggestion boxes in production workshops, hotline No. was posted on-site, workers could report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the worker in question.

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

Details:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation.
3. Training records
4. Complaint records,
5. Disciplinary records

Any other comments:
None

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:</p>

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

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

10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

Additional Elements

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

Current Systems and Evidence Examined

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

Current systems:

1. During document review, factory management representation and worker interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region. The youngest age was 20 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
2. No agency staff or foreign worker was used by the factory.

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

Details:

1. Hiring procedure.
2. Personnel files.
3. Worker handbook.

Any other comments:
None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

Observation:

Description of observation:

Local law or ETI/Additional Elements requirement:

Comments:

Objective evidence observed:

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

10. Other issue areas 10B4: Environment 4–Pillar

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

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

1. The facility had a written environmental policy.
2. The environmental impact assessment was conducted, and its approval issued by local environmental protection bureau was obtained, acceptance report of its completed environmental protection facility and Pollutant Discharge Permit were also obtained.
3. The significant environmental impact was clearly identified.
4. The exhausted air, wastewater, boundary noise were annually tested, the test result in 2020 showed they met legal requirements.
5. Hazardous waste was transferred and disposed by qualified vendor
6. Mr. Qianzhi Zhuan/ Vice GM was the responsible person of environmental issues.
7. Employees received environmental protection training.
8. The facility was not subjected to any fines/prosecutions for non-compliance to environmental regulations.
9. The facility established environmental management procedures and an environmental management committee to implement the control measures on environment protection.

10. The factory obtained ISO14001: 2015 certificate.

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

Details:

1. The environment policy.
2. Training records.
3. Environmental certificates/permits.
4. Energy bill
5. Annual test report on environmental factors (air, noise, wastewater)
6. ISO14001: 2015 certificate
7. Hazardous waste transfer/disposal records

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
 NC against customer code:

Objective evidence observed:

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation:

Description of observation:

Local law or ETI/Additional elements requirements:

Comments:

Objective evidence observed:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Fujiang Han/ System Manager
B: 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 B1: Please give details: The factory had identified the environmental factors and took corresponding measures to deal with them.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: ISO14001:2015 Certificate No.: 00118E34308R1M/3700 Valid from 22, Nov. 2018 to 17, Nov. 2021
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? The factory had formulated appropriate environmental policies and posted on the bulletin board.
E: 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 E1: Please give details: The factory had developed improvement measures for the key environmental factors.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: The factory did not have other sustainability systems.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Environmental Impact Assessment report and its approval, Acceptance of environmental construction projects and Pollutant Discharge Permit
I: 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"/> N/A I1: Please give details: The factory had established management procedures for hazardous chemicals, maintained records of chemical use and disposal, etc.
J: Is there a system for managing client's requirements and legislation in the destination	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

countries regarding environmental and chemical issues?	J1: Please give details: The factory had appointed environmental management representative, established procedures for the collection of laws and regulations, and continuously updated environmental and chemical regulations in the customer's home country.
K: 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 H1: Please give details: The factory had reduction targets in place for environmental aspects e.g. water, electricity, paper consumption, energy savings. Target example: electricity savings of 3% compare with 2020
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: The factory classified the wastes and sorted the wastes which could be recycled. In the daily work. The records for recycling were kept.
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: EHS team was responsible for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that followed recognised protocols or standards.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The factory conducted periodical assessment of environmental performance towards all these vendors .

Usage/Discharge analysis

Criteria	Previous year: Please state period: April <u>2019</u> to April <u>2020</u>	Current Year: Please state period: April <u>2020</u> to April <u>2021</u>
Electricity Usage: Kw/hrs	251950000	277250000
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Local water authority 	<ul style="list-style-type: none"> Local water authority

Water Volume Used: (m ³)	9180000	8100000
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> public drainage system 	<ul style="list-style-type: none"> public drainage system
Water Volume Discharged: (m ³)	1268664	1607887
Water Volume Recycled: (m ³)	900000	1000000
Total waste Produced <i>(please state units)</i>	48000T	51000T
Total hazardous waste Produced: <i>(please state units)</i>	12.8T	16T
Waste to Recycling: <i>(please state units)</i>	45340T	48711T
Waste to Landfill: <i>(please state units)</i>	0 T	0 T
Waste to other: <i>(please give details and state units)</i>	2647.2 T Living waste, packing material	2273 T Living waste, packing material
Total Product Produced <i>(please state units)</i>	45000T per year	30000T per year

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

1. Mr. Qianzhi Zhuan / Vice. GM was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
2. The company established a business ethics policy, which met national regulations / law concerning the relative standards.
3. The business ethics policy was communicated to workers through posters and training.
4. The site had received the Business Ethics policy of the auditor/audit company.
5. There was an internal grievance process, and there was a suggestion box sited in the workshop.
6. The factory also communicated the company's business ethics policies to stakeholders. The factory had appointed one administrator to receive complaints and suggestions from stakeholders through direct telephone, exclusive email or letter.
7. No integrity case was detected during this audit.
8. The factory was not subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics Regulations.

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

Details:

1. The company business ethics policy;
2. Position description
3. Training records
4. Worker handbook
5. Interview with management and workers
6. Supplier list
7. Complaint/appeal/grievance record

Any other comments:

None

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
 NC against customer code:

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

Observation

Description of observation:

Local law or ETI/Additional elements requirement:

Comments:

Objective evidence observed:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

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

- Internal Policy
 Policy for third parties including suppliers

A1: Please give details: The factory had established the business integrity policy according to national regulations / law concerning the relative standard

B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?

- Yes
 No

B1: Please give details: Training provided to all employees in April 02, 2021.

<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please give details: It was stipulated in the management review procedure of the company that the company shall evaluate whether the company's social responsibility policy needs to be updated in the annual management review.</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: The factory had conducted social responsibility assessment of their suppliers, and the evidence shows that the suppliers had been training in business ethics.</p>

Other findings

Other Findings Outside the Scope of the Code
None

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
None

Appendix 1

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

Not Applicable please x

Photo Form







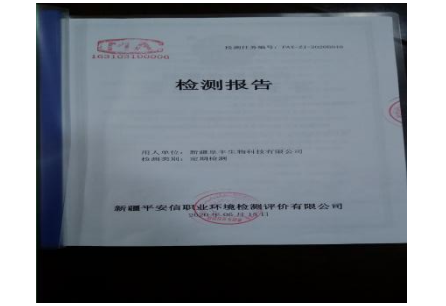
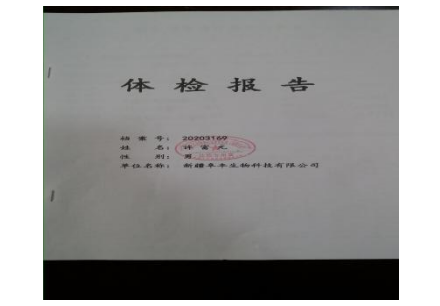
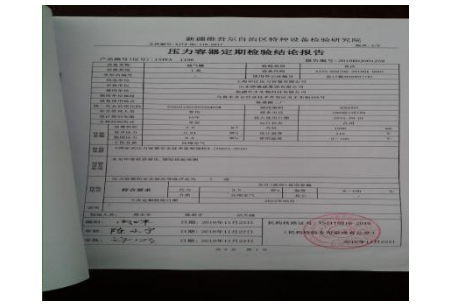

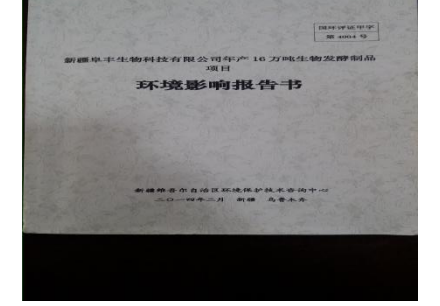

Non-compliance

<p>NC 1 -- two barrels of antifoaming agent without corresponding MSDS.</p>		

General Site Tour Photos

<p>Factory Name</p>	<p>Business licence</p>	<p>Factory Gate</p>
<p>Office building</p>	<p>Production building</p>	<p>Power plant</p>
<p>Sewage treatment station</p>	<p>Raw material warehouse</p>	<p>Finish goods warehouse</p>

<p>Canteen</p>	<p>Employee activity center</p>	<p>Dormitory buildings appearance</p>
<p>Production control room</p>	<p>Toilet</p>	<p>Employee dormitory inside view</p>
<p>Fermentation</p>	<p>Extraction</p>	<p>Centrifugation</p>
<p>Drying</p>	<p>Crushing</p>	<p>Packaging</p>

Dining room	Drinking room	Suggestion box
		
EXIT sign and emergency light	Fire extinguisher	Fire hydrant
		
Evacuation Plan	First aid kit	Notice board
		
Status Quo Inspection Report on Occupational Disease Hazards	Occupational disease test report	Pressure vessel tank inspection report
		
Business license for hazardous waste company	Environmental impact statement of construction project	Discharge permit

<p>SA Internal audit report</p>	<p>SA Management review report</p>	<p>Certificate for the Use of State-owned Land</p>

<p>ISO - 45001:2018 Certificate</p>	<p>ISO - 9001:2015 Certificate</p>	<p>ISO - 14001:2015 Certificate</p>



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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.

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

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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d

[Click here for Supplier \(B\) members:](#)

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

[Click here for Auditors:](#)

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