



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC421131183	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS421271094	
Business name (Company name):	AE ATA (HK) Ltd			
Site name:	AE ATA (HK) Ltd			
Site address:	303-304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub- District, Bao'an District, 深圳市宝安区西乡街道南 昌社区深圳前湾硬科技产 业园B栋303、304 Shenzhen 518101 CN	Country:	CN	
Site contact and job title:	Ms. Jiang Ai Hong / Supervisor			
Site phone:	0755-82131103	Site e-mail:	jiang.aihong@ae- ata.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-12-14			

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

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

## Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents  
**2-Pillar SMETA Audit**
  - ETI Base Code
  - SMETA Additions
    - Universal rights covering UNGP
    - Management systems and code implementation,
    - Responsible Recruitment
    - Entitlement to Work & Immigration,
    - Sub-Contracting and Home working,**4-Pillar SMETA**
  - 2-Pillar requirements plus
  - Additional Pillar assessment of Environment
  - Additional Pillar assessment of Business Ethics
  - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

## SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Julia Zhu	APSCA Number:	21700007
Additional Auditors:			
Date of declaration:	2023-12-15		

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

Site Representation	
Full Name:	Ms. Jiang Ai Hong
Title:	Supervisor
Date of declaration:	2023-12-15
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i>  <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i>  <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1	§1 §2 §3 §4	4	0	0	NC - ZAF600271835 NC - ZAF600271836 NC - ZAF600288678 NC - ZAF600288679
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1	§5	1	0	0	NC - ZAF600271837
<u>6 - Working hours are not excessive</u>	6.1	§6	1	0	0	NC - ZAF600271838
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	Construction Law of the People's Republic of China, Article 61. The construction projects delivered for completion acceptance must meet the specified quality standards for construction projects, have complete engineering technical and economic data and signed project warranty, and meet other completion conditions specified by the state. The construction project can be delivered for use only after it is completed and accepted as qualified; Those that have not been checked and accepted or have not passed the check and acceptance shall not be delivered for use.

§2	<p>Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 26, The employer shall assign special persons to carry out daily monitoring of the factors of occupational disease hazards and make sure that the monitoring system is under normal working conditions. The employer shall, in accordance with the regulations of the production safety supervision and administration department under the State Council, have the factors of occupational disease hazards regularly monitored and assessed at the workplace. The results of monitoring and assessment shall be kept in the unit's files of occupational health regularly reported to the local production safety supervision and administration department and announced to the workers.</p>
§3	<p>In accordance with Law of the PRC on Work Safety article 45, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.</p>
§4	<p>General Rules of Design on Health and Safety of Production Facility (GB 5083-1999), Article 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation.</p>
§5	<p>In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p>
§6	<p>In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p>

## Site Details

Site Details			
Company Name	AE ATA (HK) Ltd		
Site Name	AE ATA (HK) Ltd		
GPS location (if available)	GPS Address:	303-304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-District, Bao'an District, 深圳市宝安区西乡街道南昌社区深圳前湾硬科技产业园B栋303、304	
	Coordinates:	Latitude: N22°60'03"59 Longitude: E113°84'28"87	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91440300MA5H7D208L period of validity was from 16 February 2022 to Long term update date: 23 April 2023		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Cable, Battery electrical system analyser		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Due to new platform reasons, the site information display is incomplete and cannot be modified, so it is further explained as below: Company name: AE ATA (HK) Ltd.深圳艾艺艾迪艾科技有限公司; Site name: AE ATA (HK) Ltd.深圳艾艺艾迪艾科技有限公司; Site address: 303-304, Building B, Shenzhen Qianwan Hard-Tech Industrial Park, Nanchang Community, Xixiang Sub-District, Bao'an District, 深圳市宝安区西乡街道南昌社区深圳前湾硬科技产业园B栋303、304; Audit type: Semi-announced window detail: 2 weeks SMETA Periodic Audit (4-pillars) on 14-15 December 2023. Lead auditor: Julia Zhu, APSCA number: CSCA21700007 The factory started their operation in the year of 2022. The factory only rented half of 3F in one 8-storey production building which was about 2412 square meters, used as production workshop, warehouse and office. There was no canteen or dormitory provided to workers. There were 50 employees currently working in the factory including included 48 production employees and 2 non-production employees. Remark: Since February 2023, the factory did not rent the half of 7F in one 7-storey building which was about 800 square meters. And the business license address was updated in April 2023, eliminating this address.		
Structure and number of buildings	Building Name:		Production Building
	Floor	Description	Remark
	1-2	It was rented by other company	It was out of audit scope
	3	303 and 304 were used as production workshop and office by the audit	The other half floor was rented by other company
	4-8	It was rented by other company	It was out of audit scope

Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on onsite observation, no visible structural integrity issue such as cracks was found.
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the Building Structure Safety Records for the building.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	
Process overview	Cable: cutting, soldering, injection, testing, packing; Battery electrical system analyser: assembly, testing, packing.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Worker representatives were on site.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not provide accommodation for all employees.



Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	08:30	In	08:30
	Out	17:30	Out	12:30
Audit type:	PERIODIC			
Was the audit announced?	SEMI_ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	Ms. Jiang Ai Hong / Supervisor			
Is further information available	No			

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	There was no union in the factory.		
<i>Reason for absence during the audit</i>	There was no union in the factory.		
<i>Reason for absence at the closing meeting</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	3	0	0	22	0	0	0	25
Worker numbers - female	6	0	0	19	0	0	0	25
Total	9	0	0	41	0	0	0	50
Number of Workers interviewed - male	1	0	0	4	0	0	0	5
Number of Workers interviewed - female	0	0	0	5	0	0	0	5
Total - interviewed sample size	1	0	0	9	0	0	0	10

Nationalities Structure	
Nationality of Management	Chinese
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. The peak season was not obvious according to factory tour, document review, management interview and workers interview.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 100%
	Salaried: 0%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 (total 4 workers)
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No workers complained anything during the interview.
What did the workers like the most about working at this site?	The working environment and condition were comfortable.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The interviewees verified that they had the choice to decide whether worked OT or not according to the voluntary principle.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors.
Attitude of worker's committee/union reps:
The worker representatives said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.
Attitude of managers:
The factory 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 factory management.

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

**0A: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. The site published a human rights statement, and posted in notice board.
2. Ms. Jiang Ai Hong / Supervisor was responsible for implementing standards concerning Human Rights.
3. There was formal training given to all employees and their suppliers on the need to protect human rights.
4. The terms and conditions for employees were stated in the employee handbook and all workers were trained in the grievance procedure.

**Evidence examined:**

1. Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and worker interview.

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Based on the documents review, it was noted that the expresses commitment to respect human rights were included.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Based on the documents review, it was noted that the expresses commitment to respect human rights were include in the manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Jiang Ai Hong / Supervisor
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files were kept locked away in the human resources office and only viewed by the HR manager and his team.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 1.0% This year 1.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 0.0% This year 0.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	0.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No accidents was happened in last year. As per the policy, if the accidents happened, management will kept records of all accidents.



Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

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

**0B: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. The factory had well set up a proper management system to implement social compliance requirements. Ms. Jiang Ai Hong / Supervisor was designated as senior management representative, who was in charge of implementing and updating all social compliance policy and procedure.
2. There was an internal audit team for quality who in addition to take on the role for internal audit of the social standards of the factory. The internal audit and management review records were provided.
3. Implementation of any necessary changes was then given to the individual department heads after agreement with the factory management, this system was fully effective.
4. The ETI Code of Conduct was both communicated with workers and posted on site for workers' acknowledgement.

**Evidence examined:**

1. Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and worker interview.

**Any other comments:**

Nil

**Management Systems**

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any fine for any non-compliance was noted from the related government inspection.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies and procedures on "No force labour, no child labour, no discrimination and prohibition of harassment & abuse" were established.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established policies and procedures which ensured the site met in particular discrimination, child labour prohibition and general human rights standards.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The training records were available in the factory.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The auditor reviewed training records and cross-checked with management and workers.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no such certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Human Resources was responsible by Ms. Jiang Ai Hong / Supervisor.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Jiang Ai Hong / Supervisor
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The company's policies stipulate that all employees' information was kept in confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All worker information was kept locked in files in the personnel office.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the risk assessment report on the H&S issues.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Any problems found at internal audit were brought to the attention of senior management and corrections made.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site sent a copy of the ETI code and any relevant customer codes to its own suppliers.
<b>Land Rights</b>	

<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The copy of land rights licenses was provided for review.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory recognized and applied national laws and practices relating to land title.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. Remark: The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department period. If the factory would like to use should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No such finding was found.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. The area was rent and the rent contact was provided for review.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No illegal appropriation of land for facility building or expansion of footprint.</p>

**1 - Freely chosen Employment**  
**[Summary of Findings]**

**1: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1. The factory had a policy which prohibited forced labour and this was available for review.
- 2. Recruitment procedure stated that the using of forced labor, bonded labor and involuntary prison labor was extremely prohibited in the factory, according to the workers' interview, they were free to resign after reasonable notice 3 days in advance notice for the probation workers and 30 days in advance notice for the formal workers.
- 3. The employee handbook - given to all workers on joining, stated that workers within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
- 4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
- 5. Contract for security guards stated that they must not prevent workers from leaving the premises outside of working hours and where they were conducting searches that this was at the request of management, was done on a sample basis and was performed discretely and without significant delay to workers leaving at the end of shift.
- 6. The above was confirmed in management and worker interview.

**Evidence examined:**

- 1. Social accountability policy and manual
- 2. Personnel files and labour contracts
- 3. Resignation records
- 4. Interview with management and workers
- 5. Site tour

**Any other comments:**

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

<p>Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Employees had the right to terminate employment at their own would without any interference from management.</p>
<p>If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details: Not applicable</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: The terms and conditions of employment in the handbook statedthat the employees were free to leave the workplace outside of their working hours.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details: The factory communicated the risk to supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory would regularly carry out social compliance assessment for all their suppliers.</p>

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

**2: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee.
- 2. There was no union but a worker committee in the factory.
- 3. The worker committee was made up of 2 worker representatives who were democratically elected by the production workers. The worker representatives normally would have a meeting on a trimonthly basis to summarize the concerns and complaints from production workers.
- 4. All interviewed workers stated that they could report their concerns to the worker representatives or directly to the supervisor or upper management.
- 5. In addition, workers could also response their concerns through suggestion box. And all complaints or suggestions would be tackled within a short time.

**Evidence examined:**

- 1.The policy on freedom of association and right to collective bargaining.
- 2.Social accountability manual included worker committee selection program and the responsibility of the worker representative.
- 3.Interview with workers
- 4.Interview with management

**Any other comments:**

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other <input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker representatives were on site.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Workers could raise their concerns through worker representative, telephone, suggestion box, directly communicating with the factory management.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a room available for the worker committee to meet and the members were allowed 2 hours per month for a meeting.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	All workers could directly report their concerns via the worker representative, suggestion box, or directly report to their supervisors.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees knew the employee representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-05-17
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	There were meeting minutes and the employee committee interview confirmed that they had met with management. Meeting minutes were communicated to all employees via the public board. Last meeting: 15 Nov 2023 Topic: EHS safety
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



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

**3: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

**1. General Health and Safety management**

- Health & Safety policy was established in the factory and the factory manager was familiar with it.
- Ms. Jiang Ai Hong / Supervisor was appointed to be responsible for the facility's safety and health conditions.
- Purified water was provided free of charge to workers, the drinking water test report was up-to-date and kept in the factory and the test result was qualified.
- Lavatory facilities were accessible and adequate in number, private and segregated for men and women.
- Ventilation, temperature and lighting were adequate for the production processes.
- Most workers were properly wearing PPE (Personal Protective Equipment) in the production workshop.
- Minutes of meetings showed that there were trimonthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.

**2. Fire Safety**

- There were 2 exits from each work area.
- Fire fighting equipment were adequate and checks were up-to-date.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed.
- As per the EHS procedure that fire drills were organised twice a year. The latest recorded was on 1 Dec 2023 for production area unit.
- Training had been given to all employees.

**3. Electrical safety**

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There was 1 competent electrician at the site and his training certificate was available for review.

**4. Medical services**


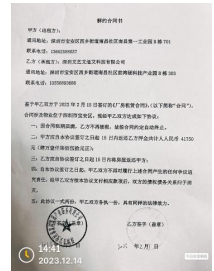
- There was one adequate first aid kits in each production area and they were well stocked.
- There were 2 trained first aiders on site.

**Evidence examined:**


<p>1.Health and safety policy 2.Health and safety manual 3.Health and safety committee minutes 4.Training records and certificates 5.Government licenses 6.Special equipment inspection reports and qualified operator certificates 7.Fire equipment maintenance records 8.Fire drill and evacuation records 9.Building structure safety certificates 10.Fire safety certificates 11.First aider certificates 12.Checks on fire equipment 13.Accident reports 14.Electrician certificates 15.Potable water testing report 16.Interview with H&amp;S manager and committee members 17.Interview with workers 18.Site tour 19.Etc.</p>
<p><b>Any other comments:</b></p>
<p>Nil</p>

<p>Does the facility have general and occupational Health &amp; 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</p> <p>Please give details: The factory had established EHS administrative manual, annual training plan including Health &amp; Safety training was hosted for all departments and new employees. The factory kept the training records for review.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Per document review and worker interview, the EHS policies were found in employee manual.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, there was no any structural addition was found during audit.</p>
<p>Are visitors to the site informed on H&amp;S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Visitor's badges had H&amp;S information on them and the visitor was requested to read it.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no medical room. There was one adequate first aid kits in each production area and they were well stocked.</p>
<p>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</p> <p>Please give details: There were 2 trained first aiders on site.</p>


<p>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</p> <p>Please give details: No transport was provided.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A, The factory did not provide dormitory.</p>
<p>Are H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory had carried out the health and safety risk assessment on the areas such as evaluating the arrangements for workers doing overtime.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Environmental impact backup record was provided to review.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The site had a copy of the banned substances list from its customer and was meeting those requirements.</p>

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	CLOSED	
Reference	ZAF600271835	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	250 - No or inadequate assessment / certificates / report / licence in place for structural safety of building including building stability certificate	
Subcategory	Building/Site Maintenance	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA422086453	
Resolved by audit	ZAA600038947	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	N/A	
Local law issue	Construction Law of the People's Republic of China, Article 61. The construction projects delivered for completion acceptance must meet the specified quality standards for construction projects, have complete engineering technical and economic data and signed project warranty, and meet other completion conditions specified by the state. The construction project can be delivered for use only after it is completed and accepted as qualified; Those that have not been checked and accepted or have not passed the check and acceptance shall not be delivered for use.	 <p>The business license address was updated in April, eliminating this address 2023..png</p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	The factory did not provide building structural safety approval of the production building B for review. Since February 2023, The factory did not rent the half of 7F in one 7-storey building which was about 800 square meters. And the business license address was updated in April, eliminating this address 2023. Therefore, the factory building structural safety approval of the production building B was not available. 从2023年2月开始，工厂没有再租一幢的	 <p>Since February 2023, the factory did not rent the half of 7F in one 7-storey building.JPG</p>

	7层楼7F的一半约800平方米。营业执照地址在2023年4月份更新，取消了这个地址。因此，B栋厂房的竣工验收证明文件不适用。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should obtain building structural safety approval for the production buildings.	
Additional comments	<p>During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is taken. Since February 2023, the factory did not rent the half of 7F in one 7-storey building which was about 800 square meters. And the business license address was updated in April, eliminating this address 2023. Therefore, the factory building structural safety approval of the production building B was not available.</p> <p>During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is taken. Since February 2023, the factory did not rent the half of 7F in one 7-storey building which was about 800 square meters. And the business license address was updated in April, eliminating this address 2023. Therefore, the factory building structural safety approval of the production building B was not available.</p>	


Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	CLOSED	
Reference	ZAF600271836	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	308 - Insufficient action taken to improve conditions following air quality / dust level / noise / temperature assessment, where necessary	
Subcategory	Worker Health	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA422086453	
Resolved by audit	ZAA600038947	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	N/A	
Local law issue	Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 26, The employer shall assign special persons to carry out daily monitoring of the factors of occupational disease hazards and make sure that the monitoring system is under normal working conditions. The employer shall, in accordance with the regulations of the production safety supervision and administration department under the State Council, have the factors of occupational disease hazards regularly monitored and assessed at the workplace. The results of monitoring and assessment shall be kept in the unit's files of occupational health supervision and administration department and announced to the workers.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	The factory did not conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk. During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is taken. The	
		 THEFAC~1.PDF

	factory had conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk on 22 March 2023. 工厂在2023年3月22日进行工作场所职业危害因素检测以监控作业场所职业病风险。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should conduct workplace occupational hazardous factors detection annual at least.	
Additional comments	<p>During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is taken. The factory had conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk on 22 March 2023.</p> <p>During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is taken. The factory had conduct workplace occupational hazardous factors detection to supervise and control workplace's occupational health risk on 22 March 2023.</p>	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600288678	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Law of the PRC on Work Safety article 45, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	One employee did not properly wear PPE (Personal Protective Equipment). It was noted that the factory had provided the personal protective equipment such as protective mask to workers. However, one worker in soldering tin position did not use protective mask when working. 1名员工没有正确穿戴PPE(个人防护装备)。据了解,该工厂为工人提供了防护口罩等个人防护装备。但是,1名工人在焊锡岗位工作时没有使用防护口罩。	 <p>One worker in soldering tin position did not use protective mask when working. <u>working.png</u></p>
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should supervise and educate the workers to wear effective and satisfactory PPE.	



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Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600288679	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999), Article 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Used ventilation 2 sets of fans at production area were not well installed with adequate guard; the gap of cover was too wide and could not protect workers' safety. 生产区域使用的2台风扇没有安装好防护装置; 防护罩的缝隙太大, 无法保护工人的安全。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should install adequate cover for used fans.	
		
	<p><u>Fans were protected a guard with openings larger than law requirement..JPG</u></p>	



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

**4: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1. There was a written policy in regard to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory.
- 2. To prevent hiring child labour, the factory also established age verification mechanism. The HR staffs would authenticate ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process.
- 3. According to review of employees' personal files and employee interview, there was no child labour in the factory.
- 4. Through reviewing employees' personnel files and whole factory tour, the youngest worker was 20 years old.

**Evidence examined:**

- 1.The recruitment policy on child labour was reviewed. It stated that the factory would never employ or use any child labour under the age of 16 years old.
- 2.Recruitment procedure
- 3.Latest employee list
- 4.Personnel files of all workers
- 5.Interview with management and workers
- 6.Site tour

**Any other comments:**

Nil

Legal age of employment:	16
Age of youngest worker found:	20
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: N/A, there was no worker under 18.

**5 - Living Wages are Paid**  
**[Summary of Findings]**

**5: Compliance Requirements**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. All employees' wages were calculated by hourly rate basis by cash on or before 7th of each month for the last month. The pay slip with proper information including workers name, department, wage level, regular working hours, regular work payment, overtime hours, overtime payment, gross wages, deductions, net wages, staff signature etc. was provided to each worker.
2. During audit, the time records from 1 Dec 2022 to 14 Dec 2023 (audit date) and wage records from Dec 2022 to Nov 2023 were provided and checked. During this audit, as per review of 10 sampled employees' payrolls and attendance records from Mar 2023, Jul 2023 and Nov 2023 (current month), it was noted that all workers were paid at least RMB2380 per month (RMB 13.68 per hour) per hour since 1 Dec 2022. The legal minimum wage was RMB2360 per month (RMB 13.57 per hour) effective from 1 January 2022.
3. Additionally, all sampled workers were properly paid 150% and 200% of their normal wages for all workdays and weekend overtime hours respectively as legally required and no statutory holidays overtime hours were noted. All workers were paid when they were enjoying statutory holidays.
4. As per procedure, paid annual leave benefit was also entitled to the employees who worked more than one year in the factory according to legal law.
5. Insufficient social insurance. At present, the factory had 50 employees, no retired employee or new employee. The social insurance records of the past 12 months were reviewed in the audit. As per the social insurance receipts of Nov 2023 provided, the factory only provide unemployment insurance, industrial injury insurance, endowment insurance, maternity insurance and medical insurance for 28 employees (56%). Remark: The factory had bought the commercial injury insurances to 28 employees, valid from 26 March 2023 to 25 March 2024.

**Evidence examined:**

- 1.Wages and benefits policy and procedure
- 2.Local and national laws
- 3.Local legal min wage documents
- 4.Overtime premiums records
- 5.Labour contracts for all workers
- 6.Resignation records
- 7.Production records
- 8.Social security insurance payment receipts
- 9.Worker interview and management interview

**Any other comments:**

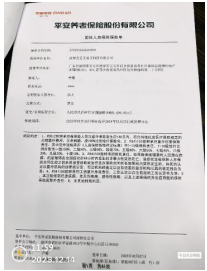
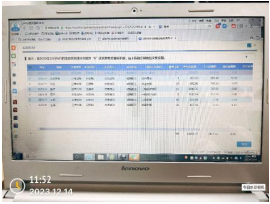
Nil

**Summary Information**

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 174.0	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 20.0 Per Month: 68.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 109.0 Per Week: 543.0 Per Month: 2360.0	Actual Per Day: 110.0 Per Week: 547.0 Per Month: 2380.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 41.0 Per Week: 479.0 Per Month: 1669.0	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	Time records and payrolls of 10 sampled employees from Mar 2023, Jul 2023 and Nov 2023 were reviewed in this audit.		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB2380 per month (RMB 13.68 per hour) per hour since 1 Dec 2022		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Work position bonus RMB1200-1550 per month Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and personal income tax		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Personal income tax and social insurance were deducted from wages and recorded in payroll records by factory.		
Please list all deductions that have not been made.	Nil		

Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All working hours in time records were paid rightly.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was an annual review when local wage rates were examined.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee interview, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600271837	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA422086453	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	N/A	
Local law issue	<p>In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</p>	 <p><u>The factory had bought the commercial injury insurances to 28 employees..JPG</u></p>  <p><u>Insufficient social insurance..JPG</u></p>
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	



Explanation to the non compliance	<p>According to social insurance purchasing records reviewed, the management and workers interview to confirm that, there were 49 employees in total in the factory, the factory purchased endowment insurance, unemployment insurance, work injury insurance, medical insurance and maternity insurance to 28 employees. The factory had provided group commercial injury insurance to all employees, which validated from 26 March 2022 to 25 March 2023. During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is not taken. Insufficient social insurance. At present, the factory had 50 employees, no retired employee or new employee. The social insurance records of the past 12 months were reviewed in the audit. As per the social insurance receipts of Nov 2023 provided, the factory only provide unemployment insurance, industrial injury insurance, endowment insurance, maternity insurance and medical insurance for 28 employees (56%). Remark: The factory had bought the commercial injury insurances to 28 employees, valid from 26 March 2023 to 25 March 2024. 社会保险参保不足。目前有50名员工，没有退休返聘员工或新员工。审核中查看了过去12个月的社保记录。根据2023年11月的社保记录，仅为28名员工(56%)提供失业保险，工伤保险，养老保险，生育保险和医疗保险。备注：工厂为28名员工购买意外保险，有效期2023年3月26日至2024年3月25日。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>The factory should ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required.</p>	

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

**6: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1. Through employee interview, employees were voluntary to work overtime.
- 2. The factory adopted Fingerprint and Facial scanning attendance machine to record working hours for all employees.
- 3. Employees worked for 5 days a week. All workers only work at one shift. The normal working time was from 8:30~12:00 and from 13:30~18:00.
- 4. There was no obvious peak month or non-peak month in the factory.
- 5. During audit, the time records from 1 Dec 2022 to 14 Dec 2023 (audit date) and wage records from Dec 2022 to Nov 2023 were provided and checked. During this audit, as per review of 10 sampled employees' payrolls and attendance records from Mar 2023, Jul 2023 and Nov 2023 (current month), it was noted that the maximum daily overtime hours, weekly total working hours and consecutively working days for all sample population employees were 2 hours per workday, 60 hours per week and 6 days respectively.

**Evidence examined:**

- 1.Factory policy on working hours
- 2.Local and national laws
- 3.Workers contracts
- 4.Attendance records
- 5.Production and quality records to cross check hours
- 6.Management interview and worker interview

**Any other comments:**

Nil

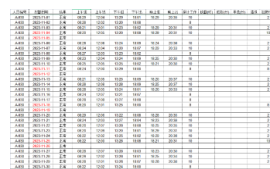
**Working hours' analysis**

**Systems & Processes**

What timekeeping systems are used?	Fingerprint and Facial scanning attendance
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Maximum overtime 2 hours/day, 20 hours/week, 68 hours/month in Mar 2023, Maximum overtime 2 hours/day, 16 hours/week, 66 hours/month in Jul 2023. Maximum overtime 2 hours/day, 20 hours/week, 70 hours/month in Nov 2023.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: According to factory tour, document review, management and workers interview, the audit selected the payroll and attendance records of Mar 2023, Jul 2023 and Nov 2023. the total weekly working hours of 10 randomly selected workers had reached 60, 56, 60 hours in Mar 2023, Jul 2023 and Nov 2023.
Approximate percentage of total workers on highest overtime hours:	80.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Confirmed by worker interview

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

Non-Compliance		Evidence																								
<a href="#">[Back to findings summary]</a>																										
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600271838</td> </tr> <tr> <td>Clause</td> <td>6 - Working Hours are not Excessive</td> </tr> <tr> <td>Issue Title</td> <td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td> </tr> <tr> <td>Subcategory</td> <td>Overtime</td> </tr> <tr> <td>New or carried over?</td> <td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td> </tr> <tr> <td>Raised by audit</td> <td>ZAA422086453</td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input type="checkbox"/> System  <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers  <input checked="" type="checkbox"/> Other                 </td> </tr> <tr> <td>Root cause - Other</td> <td>N/A</td> </tr> <tr> <td>Local law issue</td> <td>In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People’s Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.</td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> </tbody> </table>		Non-Compliance		Status	OPEN	Reference	ZAF600271838	Clause	6 - Working Hours are not Excessive	Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	Subcategory	Overtime	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA422086453	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	Root cause - Other	N/A	Local law issue	In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People’s Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.	ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	 <p><u>Monthly overtime hours exceeded 36 hours..png</u></p>
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<p>Explanation to the non compliance</p>	<p>Based on the payrolls of workers from March 2022 to November 2022, and the attendance records provided by the factory, it was identified that about 80% workers had monthly worked over 36 overtime hours in last 9 months. The monthly overtime working hours of 10 sampled workers for the three sampled months as: the maximum monthly overtime working hours of 10 sampled workers on November 2022 (current month) were 76 hours. The maximum monthly overtime working hours of 10 sampled workers on March 2022 were 78 hours, and the maximum monthly overtime working hours of 10 sampled workers on July 2022 were 82 hours. During Smeta Periodic audit conducted on 14~15 December 2023, the corrective action is not taken. Monthly overtime hours exceeded 36 hours in most months. During the audit, the factory provided attendance records from 1 Dec 2022 to 14 Dec 2023 (the audit date) and it was found that employees' monthly overtime hours exceeded the legal standard. The attendance records of randomly sampled 10 employees in Nov 2023, Jul 2023 and Mar 2023 were analysed: (1)The overtime hours of 10 sampled employees exceeded 36 hours in Nov 2023, with a maximum of 70 hours. (2) The overtime hours of 10 sampled employees exceeded 36 hours of overtime in Jul 2023, with a maximum of 66 hours. (3) The overtime hours of 10 sampled employees exceeded 36 hours of overtime in Mar 2023, with a maximum of 68 hours. 每月加班时间超过36小时.审核期间, 工厂提供了2022年12月1日至2023年11月14日 (审核日期) 的考勤记录, 发现员工每月加班时间超过法定标准。对随机抽取的10名员工在2023年11月、2023年7月和2023年3月的考勤记录进行分析: (1) 2023年11月, 抽查10名员工的加班时间超过36小时, 最长为70小时。(2) 2023年7月, 抽查10名员工的加班时间超过36小时, 最长为66小时。(3) 2023年3月, 抽查10名员工的加班时间超过36小时, 最长为68小时。</p>	
<p>Follow up method</p>	<p><input checked="" type="checkbox"/> Follow up audit      <input type="checkbox"/> Desktop audit</p>	
<p>Timescale</p>	<p><input type="checkbox"/> Immediate      <input type="checkbox"/> 30 days      <input checked="" type="checkbox"/> 60 days  <input type="checkbox"/> 90 days      <input type="checkbox"/> 120 days      <input type="checkbox"/> 180 days  <input type="checkbox"/> 365 days      <input type="checkbox"/> Other</p>	
<p>Actions</p>	<p>The factory should ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required.</p>	

**7 - No Discrimination is Practiced**  
**[Summary of Findings]**

**7: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit, Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
4. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
5. There was no evidence of sexual harassment.

**Evidence examined:**

1. Anti-discrimination policy and social accountability manual
2. The hiring and termination procedure, leave application records and employee handbook
3. Attendance records
4. Training records
5. Termination records
6. Interview with management and workers

**Any other comments:**

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	1		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring  <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation  <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training  <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A, no evidence of discrimination found.		
Professional Development			
What type of training and development are available for workers?	All workers were given H&S training.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		





**8 - Regular Employment Is Provided**  
**[Summary of Findings]**

**8: Compliance Requirements**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. All workers were recruited by the factory directly and had properly signed contracts with the factory.
2. No labour agency was used to hire workers.
3. No temporary worker or home worker was identified by auditor.
4. Additionally, all of the workers were properly provided with one copy of the labour contract for his or her reference.

**Evidence examined:**

1. Recruitment policy
2. The hiring and termination practices
3. Personal files and labour contracts
4. Interview with management interview and workers

**Any other comments:**

Nil

**Responsible Recruitment**

**All Workers**

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

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

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

- Yes  No

**Migrant Workers**

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



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

**8A: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. A site tour showed that all production processes were present in the unit.
2. No home-working was used in the facility.
3. As per management interview and factory tour, there was no homeworker used by the factory.

**Evidence examined:**

1. List of approval supplier
2. Production records
3. Interview with management and workers
4. Site tour

**Any other comments:**

Nil

**Summary of sub-contracting – if applicable**

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

**Summary of homeworking – if applicable**

Is homeworking used at this site?     Yes     No



<p>Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>
<p>Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>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 Please give details:</p>

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

**10A: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

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

**Evidence examined:**

- 1.Hiring procedure
- 2.Worker handbook
- 3.Personal files and contracts
- 4.Interview with management and workers

**Any other comments:**

Nil

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

**10B4: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. Ms. Jiang Ai Hong / Supervisor was responsible for continuous improvements in their environmental performance.
2. The company had an environmental policy, which had been communicated to all appropriate parties, including its own suppliers.
3. The discharge of natural resources e.g. electricity use, water use were analysed by the factory, and the calculation results were available to review.
4. Policy on sustainable development was established.
5. The company had taken some measures such as eliminate or reduce the municipal solid waste in order to improve environmental performance.
6. Per management interview and the website review, the company had not been subject to any fines/prosecutions for noncompliance to environmental regulations.

**Evidence examined:**

Social Responsibility manual, Environment management policy, Training records, Energy saving programme.

**Any other comments:**

Nil

**Environmental Analysis**



Is there a manager responsible for Environmental issues (Name and Position):	Ms. Jiang Ai Hong / Supervisor
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Site conducted an internal risk assessment on the environmental impact of the site.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site had no recognised environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It addressed the key impact from operation and commitment to improvement.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory had no sustainability systems.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Discharge of pollutants permit.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The in & out warehouse records were provided for review.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was included in the site's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce costs.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Weights of recycled waste were recorded for continuous improvement targets.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Measured to reduce costs.	
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 checked="" type="checkbox"/> No Please give details: NA, site did not have sub-contracting agency.	
Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	236320	193503
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	612	561
Water Discharged	0	0
Water Volume Discharged	0	0
Water Volume Recycled	0	0
Total waste produced	0	0
Total hazardous waste produced	0	0
Waste to recycling	0	0
Waste to landfill	0.6 ton	0.5 ton
Waste to other	0	0
Total Product Produced	770000 pcs	700000 pcs

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1.The factory established Anti-bribery and Anti-corruption policy and procedure.
- 2.The factory signed Anti-bribery agreement with suppliers and employees.
- 3.The factory had a transparent system in place for confidentially reporting.
4. Ms. Jiang Ai Hong / Supervisor designated person responsible for implementing standards concerning Business Ethics.
- 5.The factory had provided Business Ethics training for all employees.

**Evidence examined:**

- 1.Anti-bribery and anti-corruption policy and procedure
- 2.Anti-bribery agreement signed between suppliers and factory
- 3.Anti-bribery agreement signed between employees and factory
- 4.Training records
- 5.Management and workers interview.

**Any other comments:**

Nil

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




- Internal Policy  
 Policy for third parties including suppliers

Please give details:

There was a policy on the need to avoid bribes and fraudulent practices.

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory had given training to relevant personnel (e.g. sales and logistics) on business ethics issues.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Examined each year by HR department and adjusted if needed.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The site had required suppliers to complete business ethics training and the site had provided relevant records.</p>

## Attachments

 <u>Photo record_ZAA600038947_AE ATA (HK) Ltd._14~15 Dec 2023.pdf</u>	 <u>ZAA600038947 on-site cap.pdf</u>
 <u>SMETA declaration - ZAA600038947_AE ATA (HK) Ltd._14~15 Dec 2023.pdf</u>	



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