

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

| | | | |
|-------------------------|---|----------------------|--------------------------------|
| Sedex company reference | ZC421131183 | Auditor company name | TUV Rheinland (TUEV Rheinland) |
| Date of audit | 2024-12-03 | Audit conducted by | Sedex member |
| Audit pillars | Labour Standards Health and safety Environment 4-Pillar Business ethics | | |

Site details

| | | | |
|----------------------|-----------------|--------------|--|
| Sedex site reference | ZS421271094 | Site name | AE ATA (HK) Ltd |
| Business name | AE ATA (HK) Ltd | Site address | 518101 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海硬科技产业园B栋303、304, Shenzhen, CN |
| Site phone | 0755-82131103 | Site email | jiang.aihong@ae-ata.com |

Audit parameters

| | | | | |
|--|------------------------------|-------|-------|-------|
| Time in and 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 | | | |
| Who signed and agreed CAPR? | Ms. Jiang / Admin Supervisor | | | |
| Any conflicting information SAQ/Pre-Audit Info | No | | | |
| Is further information available? | No | | | |

Audit attendance

| | Senior management | Worker representative | Union representative |
|---|-------------------------------------|-----------------------|----------------------|
| 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 |
| Reason for absence at the opening meeting | There was no Union in the facility. | | |
| Reason for absence during the audit | There was no Union in the facility. | | |
| Reason for absence at the closing meeting | There was no Union in the facility. | | |

SMETA declaration

Auditor team

| | | | |
|--|---|--------------|----------|
| SMETA declaration | <p>I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.</p> <ol style="list-style-type: none"> Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. <p>This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.</p> | | |
| Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size) | Nil | | |
| Lead auditor | Joe Fang | APSCA Number | 21703717 |
| Additional auditor | | | |
| Date of declaration | 2024-12-04 | | |

Site representation

| | |
|---------------------|--|
| Declaration | I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published. |
| Full name | Ms. Jiang |
| Title | Admin Supervisor |
| Date of declaration | 2024-12-04 |




Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 5. Legal wages are paid | 5.B Ensure that workers receive the insurance... | §1 | NC ZAF600715265 |
| 6. Working hours are not excessive | 6.F Ensure that where overtime is used, it is... | §2 | NC ZAF600715266 |
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §3 | NC ZAF600715267 |
| | 3.M Ensure all machinery is installed, mainta... | §4 | NC ZAF600715268 |
| | 3.R Provide clean and secure toilets, wash ar... | §5 | NC ZAF600731673 |

Local law issues

| | |
|----|---|
| §1 | 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. |
| §2 | 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. |
| §3 | Rules for Warehouse Fire Prevention Safety Management Article 18, the goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. |
| §4 | 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. |
| §5 | 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. |

Management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|--|---|---|---|---|
| 1. Employment is freely chosen |  |  |  |  |
| 1.A. Responsible recruitment and entitlement to work |  |  |  |  |
| 2. Freedom of association and right to collective bargaining are respected |  |  |  |  |
| 3. Working conditions are safe and hygienic |  |  |  |  |
| 4. Child labour shall not be used |  |  |  |  |
| 5. Legal wages are paid |  |  |  |  |
| 6. Working hours are not excessive |  |  |  |  |
| 7. No discrimination is practiced |  |  |  |  |
| 8. Regular employment is provided |  |  |  |  |



Not addressed



















Fundamental improvements required







Some improvements recommended



Robust management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|---|---|---|---|---|
| 8.A. Sub-contracting and homeworkers are used responsibly |  |  |  |  |
| 9. No harsh or inhumane treatment is allowed |  |  |  |  |
| 10.A. Environment 2-Pillar |  |  |  |  |
| 10.C. Business ethics |  |  |  |  |

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

| | | |
|---|---|---|
| Sedex company reference | ZC421131183 | |
| Sedex site reference | ZS421271094 | |
| Company name | AE ATA (HK) Ltd | |
| Business ownership type | GOODS | |
| Site name | AE ATA (HK) Ltd | |
| Site name in local language | 深圳艾艺艾迪艾科技有限公司 | |
| GPS location | 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 | N22°35'51"/E113°49'51" |
| Is the worksite in a remote location, far from habitation? | No | |
| Site contact | Contact name | Ms. Jiang |
| | Job title | Admin Supervisor |
| | Phone number | 0755-82131103 |
| | Email | jiang.aihong@ae-ata.com |
| Applicable business and other legally required business license numbers and documents | Business license: 91440300MA5H7D208L period of validity was from 16 February 2022 to Long term. | |

Site activities

| | |
|---------------|---------------------------------|
| Site function | Factory Processing/Manufacturer |
|---------------|---------------------------------|

Site activities

| | | |
|---|---|---|
| Site activities | Primary | Manufacture of other electronic and electric wires and cables |
| | Secondary | |
| | Other | |
| Product type | Cable, Battery electrical system analyser. | |
| Process overview | The main products: Cable and Battery electrical system analyser. / Cable : cutting, soldering, injection, testing, packing; Battery electrical system analyser: assembly, testing, packing. /The main equipment: 15 molding machines, 9 peeling machines, 5 drying machines, and 7 testing machines, etc. | |
| What level of mechanization best describes the work at this site? | High mechanisation / low manual Labour | |

Site scope

| | | |
|---|--|---|
| Is the audited site a physically continuous area? | Yes | |
| What is the area of audited site to its boundary? | 2412m ² | |
| Building 1 | Last construction works on site | 2021 |
| | If building is shared, provide details | The factory started their operation in the year of 2022. The factory only rented half of 3/F in 8-storey building as production, office and warehouse since 2022. The other companies stayed at the building were technology companies, trading companies, clothing companies, etc. According to our survey, they had no business with the auditee, out of scope. |
| | Number of floors | 8 |
| | Description of floor activities | 1/F~2/F: Other companies, out of scope. 3/F: Room 303, 304 were used as production, warehouse and office by the audit. Room 301, 302 were other companies, out of scope. 4/F~8/F: Other companies, out of scope. |
| Is there any difference between the site scope of the audit and the Sedex site profile? | No | |

Site scope

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?

No

Is any activity conducted onsite not included within the scope of the audit?

No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?

No

Does the site organise worker transport to the worksite?

Not provided

The facility did not provide accommodation for all employees.

Work patterns

Approximate workers on site per month (% of peak)

| | | | |
|-----------|---------|----------|---------|
| January | 95-100% | February | 0-25% |
| March | 95-100% | April | 95-100% |
| May | 95-100% | June | 95-100% |
| July | 95-100% | August | 95-100% |
| September | 95-100% | October | 95-100% |
| November | 95-100% | December | 95-100% |

Is there any night or back shift work at the site?

No

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?

Other certification

The facility obtained ISO9001:2015 on November 28, 2024. The valid period until November 27, 2025.

Site assessments

| | |
|---|---|
| Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? | No The facility did not assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community. |
| Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? | No The facility did not conduct HRIA. |

Worker analysis

Gender disaggregated data available Men and women

Worker totals

| | Men | Women | Other | Total |
|-------------------|------------|------------|-------|-----------|
| Number of workers | 10 (47.6%) | 11 (52.4%) | - - | 21 (100%) |

Workers by type

| | Men | Women | Other | Total |
|---|------------|------------|-------|-----------|
| Permanent workers (employees) | 10 (47.6%) | 11 (52.4%) | - - | 21 (100%) |
| Temporary or fixed term employees | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Agency or subcontracted workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Seasonal workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Self-employed workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Informal workers including home workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Apprentices, trainees or interns | 0 (0%) | 0 (0%) | - - | 0 (0%) |

* % of total workforce

Migrant workers

| | Men | Women | Other | Total |
|-------------------------------|------------|-----------|-------|------------|
| Domestic migrant workers | 10 (47.6%) | 9 (42.9%) | - - | 19 (90.5%) |
| International migrant workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Total migrant workers | 10 (47.6%) | 9 (42.9%) | - - | 19 (90.5%) |

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

All workers are Chinese. The domestic migrant workers came from Henan, Hunan, Guangxi Province.

Workers by age

| | Men | Women | Other | Total |
|--------------------|---------|----------|-------|-----------|
| 18 - 24 years old | 4 (19%) | 1 (4.8%) | - - | 5 (23.8%) |
| 15 - 17 years old | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Under 15 years old | 0 (0%) | 0 (0%) | - - | 0 (0%) |

* % of total workforce

| | |
|---|--|
| Is the worker analysis data relevant for peak season and current to the audit? | No |
| Describe how this may vary during peak periods | No obvious peak season in the past year. |
| Please list the nationalities of all workers, with the three most common nationalities listed first | Chinese |

Most common nationalities as approximate % of workforce

| | Men | Women | Other | Total |
|---------|-----|-------|-------|-------|
| Chinese | 48% | 52% | - | 100% |

Workers by remuneration type

| | Men | Women | Other | Total |
|---|------------|------------|-------|-----------|
| Workers paid per unit (piece rate) | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Workers paid based on a mix of 'piece work' and hourly rate | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Workers paid hourly / daily rate | 10 (47.6%) | 11 (52.4%) | - - | 21 (100%) |
| Salaried workers | 0 (0%) | 0 (0%) | - - | 0 (0%) |

* % of total workforce

Workers by payment cycle

| | Men | Women | Other | Total |
|--------------|------------|------------|-------|-----------|
| Paid daily | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Paid weekly | 0 (0%) | 0 (0%) | - - | 0 (0%) |
| Paid monthly | 10 (47.6%) | 11 (52.4%) | - - | 21 (100%) |
| Other | 0 (0%) | 0 (0%) | - - | 0 (0%) |

* % of total workforce

If other payment cycle entered, please provide details

N/A. The workers were paid monthly wages.

People in managerial, supervisory and administrative roles

| | Men | Women | Other | Total |
|-----------------------------------|----------|-----------|-------|-------|
| Employees in management positions | 1 (4.8%) | 0 (0%) | - - | 1 |
| Supervisors or team leaders | 1 (4.8%) | 2 (9.5%) | - - | 3 |
| Administrative staff | 1 (4.8%) | 7 (33.3%) | - - | 8 |

Worker interview summary

| | |
|---|---|
| Gender disaggregated data available | Men and women |
| Which methods of worker engagement were used? | Group interviews Individual interviews |

Digital worker survey participants

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

| | |
|--|---|
| Were any of the audit findings attributable to the survey? | |
| Was the interview sample representative of all types of nationality and employment types of workers? | Yes |
| Was the interview sample representative of the gender composition of the workforce? | Yes |
| Number and size of group interviews | 10 sampled workers were selected for worker interview: 5 individual workers + 1 group of 5 workers. |
| Did workers understand the purpose of the audit? | Yes |
| Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers? | Yes |
| Was there any indication that workers had been 'coached' in how they should respond to questions? | No |
| What was the general attitude of the workers towards their workplace? | Favorable |

Attitude of workers

| | |
|--|---|
| In which areas did workers raise significant concerns or complaints? | Communication (e.g. from management) Freedom of movement Overtime Pay |
| What did the workers like the most about working at this site? | Other (provide details) All workers interviewed had a positive attitude to the management and the site. |
| Additional comments | No additional comment. |
| Attitude of workers' committee/union representatives | The interviewed worker representative showed that the management was cooperative with workers and the workplace was generally acceptable. She was satisfied with the attitude of management and no negative evidence was observed. |
| Attitude of managers | The facility management was positive towards auditor, they provided relevant documents to auditor for review, showed auditor the production process during facility tour, and provided auditor an independent room for workers interview. At the closing meeting, auditor provided the facility representative a general overview, and explained all findings to them. In the meantime, the auditor made corrective suggestions corresponding to findings of the facility representatives, facility representative signed the CAPR. |

Workers interviewed by type

| | Total |
|-------------------------------------|-------|
| Permanent workers | 10 |
| Temporary or fixed-term employees | 0 |
| Agency or subcontracted workers | 0 |
| Seasonal workers | 0 |
| Other workers | 0 |
| Total number of workers interviewed | 10 |

Workers interviewed by group/individual

| | Men | Women | Other | Total |
|--|-----|-------|-------|-------|
|--|-----|-------|-------|-------|

Workers interviewed by group/individual

| | | | | |
|----------------------------------|---|---|---|---|
| Workers interviewed in groups | 1 | 4 | - | 5 |
| Workers interviewed individually | 1 | 4 | - | 5 |

Migrant workers interviewed

| | Men | Women | Other | Total |
|---|-----|-------|-------|-------|
| Domestic migrant workers interviewed | 2 | 7 | - | 9 |
| International migrant workers interviewed | 0 | 0 | - | 0 |
| Total migrant workers interviewed | 2 | 7 | - | 9 |

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 1.0% | 0.0% | - | 1.0% |
| Last full calendar year (2023) | 1.0% | 0.0% | - | 1.0% |
| Previous full calendar year (2022) | 1.0% | 1.0% | - | 2.0% |

* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

Rate of absenteeism (%)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2022) | 0.0% | 0.0% | - | 0.0% |

* Number of days lost through job absence in the year, calculated as (the 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*100

Are accidents recorded?

Yes

The accident records were provided to review. No accident happened in the past year.

Annual number of work related accidents and injuries (per 100 workers)*

| | Men | Women | Other | Total |
|--|-----|-------|-------|-------|
|--|-----|-------|-------|-------|

Annual number of work related accidents and injuries (per 100 workers)*

| | | | | |
|------------------------------------|------|------|---|------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2022) | 0.0% | 0.0% | - | 0.0% |

* Calculated as (number of work related accidents and injuries * 100) / number of total workers.

Lost day work cases (per 100 workers)*

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2022) | 0.0% | 0.0% | - | 0.0% |

* Calculated as (number of lost days due to work accidents and work related injuries * 100) / number of total workers.

Percentage of workers that work on average more than 48 standard hours in a given week

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2022) | 0.0% | 0.0% | - | 0.0% |

Percentage of workers that work on average more than 60 standard hours in a given week

| | Men | Women | Other | Total |
|-----------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |

Percentage of workers that work on average more than 60 standard hours in a given week

| | | | | |
|------------------------------------|------|------|---|------|
| Last full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2022) | 0.0% | 0.0% | - | 0.0% |

0. Enabling accurate assessment

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|---|-----------|---------|
| No findings | | | |
| Systems and evidence examined to validate this code section | <div>Current Systems:</div> <div>1. The facility published a human rights statement and posted in public.</div> <div>2. Ms. Jiang/Admin Supervisor was responsible for implementing standards concerning Human Rights.</div> <div>3. There was formal training given to all employees and their suppliers on the need to protect human rights.</div> <div>4. The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</div> <div>Evidence examined:</div> <div>1. Employee handbook with ETI Code, written policies and procedure.</div> <div>2. Social responsibility management 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 requirement and local law.</div> <div>3. Management interview and worker interview.</div> | | |

0. Enabling accurate assessment

Data points

| | |
|---|----|
| Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment? | No |
| Did any workers selected by the auditor decline to be interviewed? | No |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | No |

1. Employment is freely chosen

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1. Policies and Procedures: There was an internal ETI policy in place that addresses freely chosen employment. And the relevant procedure has been implemented to ensure compliance with this policy and procedure. The policies and procedures were reviewed and updated regularly.</p> <p>2. Resources: Documentation clearly assigns responsibilities, processes, and addresses all code areas. The admin manager was responsible for free employment. Continuous trainings were provided for relevant employees every year, and they learned the relevant laws and regulations regularly.</p> <p>3. Communication and Training: Knowledge of free employment were communicated and included in the annual training, the relevant employees training conducted, the effectiveness of the training was not assessed as worker interview.</p> <p>4. Monitoring: The effectiveness of free employment procedures, were monitored through regular meetings between the worker representatives and management, documented evidence such as training records, meeting minutes were kept, the policy could be met. However, there was no awareness of evaluation effectiveness.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- 1.The site had policy which prohibited force labour and prison labour was available for review.
- 2.The hiring procedures stated that the ID cards should be presented upon hiring but only the copies of identification card will be kept in the personal files. The original one would be returned to workers. As per the interview, most of them get the hiring information from posters or internet. No deposit was collected by the facility.
- 3.The facility policy also stated that it was free for them resigned from the site with one month's prior written applications. The statutory holidays, benefits, wages, working hours were also included in the facility regulations.
- 4.The procedures also stated that the employees were free to have water break and rest during the work. They can refuse to conduct overtime work by notification in advance. All above were also confirmed in management and interview.

Evidence examined:

- 1.Hiring procedures from Rules and Regulations of the facility.
- 2.HR employment system.
- 3.Employee manual.
- 4.Payrolls.
- 5.Personal data files (to check for if original documentation was held by facility).
- 6.Resignation documents of resigned employee.
- 7.Management and workers' interview.

1. Employment is freely chosen

Data points

| | |
|--|----------------|
| If required under local law, is there a published 'modern slavery' or similar statement? | Not Applicable |
| Does the site utilise any workers who are prisoners? | No |
| Does the site use the labour of persons required to work under any government scheme? | No |

1.A. Responsible recruitment and entitlement to work

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The factory established policies and procedures regarding responsible recruitment and entitlement to work, keeping up-to-date with local and national laws and training projects, etc. The policies and procedures were reviewed and updated regularly.</p> <p>2.Resources: The HR was responsible for communicating, implementing and checking compliance against code requirements. The responsible employees did not understand their role and responsibilities and the role requires the necessary skills to implement them.</p> <p>3.Communication and Training: There was a well-established training programmer in place regarding the policies and procedures. No assessment of effectiveness for the training.</p> <p>4.Monitoring: The effectiveness of free employment procedures, were monitored through regular meetings between the worker representatives and management, documented evidence such as training records, meeting minutes were kept, the policy could be met. Risk assessment, tour check, root analysis, correct action and prevention, internal audit and management review were conducted regularly to ensure the policy and process were effective.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

1. The site has a recruitment management system, and the process document describes that workers did not need to pay any fees or collateral during recruitment and employment, including deposits, medical examination fees, ID cards, etc. Additionally, it also requires that the agency that they cooperated shall not demand payment of any fees from workers during employment for various reasons.
2. Per management and worker interview, the employees did not pay any fees including deposits, medical examination fees etc.
3. All employees had the proper legal rights to work in this region.
4. All employees were recruited directly by the facility and no agency was involved in facility's recruitment processes.
5. No agency staff or foreign employees were used by the facility.

Evidence examined:

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

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

| | |
|---|--|
| Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes? | Workers are recruited, selected, and hired directly by our company |
| How do the labour providers recruit and hire workers? | N/A - Recruitment providers not used |
| Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey? | 0 |
| Are there any subcontracted workers (including dispatched labour) on site? | No |
| Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview? | Not Applicable |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | Not Applicable |

Migrant workers

| | |
|---|--|
| Do any workers migrate across international borders to work at this site? | No |
| Percentage of workers that are migrant | 90% |
| Do any workers migrate from other states, provinces or regions within the country to work at this site? | Yes |
| List the sending states/provinces/regions | The domestic migrant workers came from Henan, Hunan, Guangxi Province. |

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

No

The workers did not pay any costs during recruitment and employment process as interview and document review.

Were recruitment fees or costs identified during worker interviews?

No

Through worker and management interview, it was noted that no recruitment fees or costs are needed to be paid by workers. All recruitment fees or costs were paid by facility.

2. Freedom of association and right to collective bargaining are respected

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Some Improvements Recommended |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1. Policies and Procedures: The facility established procedures regarding "Freedom of association and right to collective bargaining", the policy were reviewed annually, updated yearly this year. partial records were not provided.</p> <p>2. Resources: The admin manager was responsible for ensuring compliance with the policy. And the specific role identified as responsible was documented. But the admin supervisor did not know her role as management interview.</p> <p>3. Communication and Training: Training and communication regarding the policies have been conducted by employees. The relevant records were provided for review. Partial workers did not know the worker representatives for worker interview.</p> <p>4. Monitoring: There was no monitoring of the effectiveness of procedures to meet policy and workplace requirements.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

1. The facility 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 worker representatives in the facility.
3. There were 2 worker representatives who were democratically elected by the production workers. The worker representative 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 representative or directly to the supervisor or upper management.
5. In addition, workers could also respond their concerns through suggestion boxes. And all complaints or suggestions would be tackled within a short time.
6. Per worker representative' interview, he said that he could collect workers' opinions through holding meetings without interference.

Evidence examined:

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

2. Freedom of association and right to collective bargaining are respected

Data points

| | |
|---|----------------|
| Are trade unions allowed by law in the national context? | Yes |
| Are there any registered trade unions in the workplace? | No |
| Are they active? | |
| Does the employer recognise the trade union? | Not Applicable |
| Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? | Yes |
| Are the worker representatives freely elected by the workforce as a whole? | Yes |
| Does union/worker committee membership reflect the gender composition of the workforce? | Yes |
| Does the membership reflect the nationality composition of the workforce? | Yes |
| Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? | No |

3. Working conditions are safe and hygienic

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Fundamental Improvements Required |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Fundamental Improvements Required |
| Explanation for management systems grades | <p>1.Policies and Procedures: The facility established procedures regarding "Working conditions are safe and hygienic", the policy reviewed annually, updated early this year.</p> <p>2.Resources: The admin manager was responsible for communicating, implementing and checking compliance against code requirements, undertook the training regularly, learned the relevant laws and regulations to ensure that the factory's policy is implemented on a long-term basis.</p> <p>3.Communication and Training: Workers received relevant training, such as PPEs training, machine operation training, emergency training, etc. However, Communications and/or training is not effective. There was no monitoring of the effectiveness of procedures to meet policy and workplace requirements.</p> <p>4.Monitoring: Risk assessment, tour check, root analysis, correct action and prevention, internal audit and management review were conducted regularly. Overall performance was monitored by the Admin supervisor and EHS team. However, some requirements are overlooked such that there was potential for NCs to arise over time.</p> <p>Normally, there was a risk of health and safety, such as improper PPE use, inappropriate stacking in the warehouse.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §1 | NC ZAF600715267 |
| | 3.M Ensure all machinery is installed, mainta... | §2 | NC ZAF600715268 |
| | 3.R Provide clean and secure toilets, wash ar... | §3 | NC ZAF600731673 |

Systems and evidence examined to validate this code section

Current Systems:

1. General Health and Safety management
 - Health & Safety policy was established in the facility and the facility manager was familiar with it.
 - Ms. Jiang/Admin Supervisor was appointed to be responsible for the facility's safety and health conditions.
 - Purified water was provided free of charge to workers.
 - Lavatory facilities were accessible and adequate in number, segregated for men and women.
 - Ventilation, temperature and lighting were adequate for the production processes.
 - 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 and these were clearly marked.
 - Fire fighting equipment was adequate and checks were up-to-date.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - Fire drills were organised and recorded every 6 months for production unit. The last fire drill was conducted on November 22, 2024.
 - Training has been given to all employees.
3. Electrical safety
 - The electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse board.
4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - There were 2 trained first aiders on site.

Evidence examined:

1. Health and safety policy.
2. Health and safety manual.
3. Health and safety committee minutes.
4. Training records and certificates.
5. Special equipment inspection report.
6. Fire equipment maintenance records.
7. Fire drill and evacuation records.
8. Building structure safety certificate.
9. Fire safety certificate.
10. First aider certificates.
11. Checks on fire equipment.
12. Accident reports.
13. Electrician certificate.
14. Interview with H&S manager and committee members.
15. Interview with workers.
16. Site tour.

Findings: non-compliances

| | | | |
|--|---|----------------|----------------|
| ZAF600715267 | | Non-compliance | Due 2024-01-21 |
| Code area | Status | | |
| 3 Working conditions are safe and hygienic | Open* | | |
| Workplace requirement | Time given to resolve | | |
| 3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE). | 30 days | | |
| Issue title | Verification method | | |
| 278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate | Desktop audit | | |
| Description | Area of non-compliance/non-conformance | | |
| Periodic audit conducted on December 03~04, 2024: Open Improper PPE use for workers. During audit, it was noted that the factory provided the personal protective equipment (i.e activated carbon masks) instead of dust masks for soldering workers. 工人个人防护用品使用不当。 审核中发现工厂为焊接工人提供了个人防护设备（即活性炭口罩），而不是防尘口罩。 | Local law | | |
| Description (carried over) | | | |
| 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。 | | | |
| Corrective and preventative actions | | | |
| It is recommended that the facility should ensure the facility provides proper personal protective equipment for workers who contact with hazardous factors, including hazardous chemicals, noise or dust etc. And ensure them to wear at work. 建议企业应确保为接触职业危害因素(危险化学品，噪音，粉尘等)的工人提供适当的个人防护装备, 并且确保他们在工作中佩戴。 | | | |
| Corrective and preventative actions (carried over) | | | |
| The factory should supervise and educate the workers to wear effective and satisfactory PPE. | | | |
| Local law reference | | | |
| 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. | | | |
| Evidence | | | |



NC-The soldering workers worn activated carbon masks instead of dust masks during work.jpg

* PDF generated at 08:40 (UTC) on 11 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

| | | | |
|---|--|---|----------------------|
| ZAF600715268 | | Non-compliance | Due 2024-01-21 |
| Code area | 3 Working conditions are safe and hygienic | Status | Closed (2024-12-04)* |
| Workplace requirement | 3.M Ensure all machinery is installed, maintained, and used in a safe manner. | Time given to resolve | 30 days |
| Issue title | 264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines) | Verification method | Desktop audit |
| Description | 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。 | Area of non-compliance/non-conformance | Local law |
| Description (carried over) | 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。 | | |
| Corrective and preventative actions | The factory should install adequate cover for used fans. | | |
| Corrective and preventative actions (carried over) | The factory should install adequate cover for used fans. | | |
| Local law reference | 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. | | |
| Evidence | | | |



Fans were protected a guard with openings larger than law requirement..JPG



* PDF generated at 08:40 (UTC) on 11 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600731673

Non-compliance

Due 2025-02-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

327 - Storage of goods not in line with legal requirements (e.g. too high)

Area of non-compliance/non-conformance

Local law

Base code

Description

No gap between the stack and the wall.
During audit, it was noted that the raw material/finished goods in the warehouse were stored against walls.
货物与墙无安全距离。
审核中发现仓库里的原材料/成品靠墙存放。

Corrective and preventative actions

It is recommended that facility should keep safe distance between the stacks and walls.
建议企业应该保持货物与墙之间的安全距离。

Local law reference

Rules for Warehouse Fire Prevention Safety Management Article 18, the goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.

Evidence



[NC-No gap between wall
and goods.jpg](#)



* PDF generated at 08:40 (UTC) on 11 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

| | |
|---|---|
| Is someone within the company responsible for health and safety? | Yes, senior manager or business owner Yes, qualified safety officer |
| Do workers operate high risk or heavy machinery or vehicles as part of their jobs? | No |
| Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)? | No |
| Who organises accommodation for workers? | Workers independently arrange their own accommodation |
| Who organises worker transportation between accommodation and worksite? | Workers organise their own transport |
| Who organises worker transportation while at work? | Workers organise their own transport |
| Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law? | Not Applicable No structural additions without required permits/inspections. |
| Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building? | No |
| Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally? | No |
| Does the site have a structural engineer evaluation? | Yes |

4. Child labour shall not be used

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The site had a detailed Anti-using child labor management policy and procedure. And the relevant procedure has been implemented to ensure compliance with this policy. The policies and procedures were reviewed and updated regularly.</p> <p>2.Resources: Documentation clearly assigns responsibilities, processes, and addresses all code areas. The HR was responsible for implementation and aware of their responsibilities. Continuous training was conducted every year, and learned the relevant laws and regulations.</p> <p>3.Communication and Training: Training was conducted including all key persons according to the documented procedure, which as well as assessment and refresher training. but HR did not have sufficient training how to do if Child labor was misused.</p> <p>4.Monitoring: Anti-using child labor management breaches were effectively monitored, and overall performance was reported to the relevant senior management. Gaps in the training content updates have been observed. Risk assessment, tour check, root analysis, correct action and prevention, internal audit and management review were conducted regularly to ensure the policy and process were effective. However, there was no awareness of evaluation effectiveness.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

- Current Systems:

 - 1.The complete hiring procedure was established in the facility, which requires that the minors under 16 years old were not allowed to join the facility.
 - 2.The facility would verify all employees' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. The system was effectively implemented.
 - 3.The child labour remediation policy was established in the facility.
 - 4.There was no student or apprentice at the facility.
- Evidence examined:

 1. The recruitment policy on child labour.
 2. Recruitment procedure.
 3. Latest employee list.
 4. Personnel files of all workers.
 5. Interview with management and workers.
 6. Site tour.

4. Child labour shall not be used

Data points

| | |
|---|----------------|
| Percentage of workers that are age 24 or younger | 23% |
| Enter the legal age of employment | 16 |
| Enter the age of the youngest worker identified | 18 |
| Enter the number of workers under local legal minimum age | 0 |
| Enter the number of workers under 15 years old | 0 |
| Percentage of workers that are apprentices, trainees or interns | 0% |
| Were there children present on the work floor but not working at the time of audit? | No |
| Do children live at the accommodation provided to workers? | Not Applicable |

5. Legal wages are paid

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Fundamental Improvements Required |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Fundamental Improvements Required |
| Explanation for management systems grades | <p>1.Policies and Procedures: There was an internal policy and procedure policy in place that addresses legal wages paid. And the procedure has been implemented to ensure compliance with this policy. The policies and procedures were reviewed and updated regularly.</p> <p>2.Resources: The admin supervisor was responsible for ensuring compliance with the policy. Continuous training for relevant employees every year, and learned the relevant laws and regulations. but no records provided.</p> <p>3.Communication and Training: Training was conducted according to the documented procedure, which included assessment and refresher training. Communications and/or training is not effective i.e., partial employees did not understand the benefits of obtaining social insurance, so they did not participate in social insurance.</p> <p>4.Monitoring:There was no monitoring of the effectiveness of procedures to meet policy. And some employees did not participate in social insurance due to lack of awareness.</p> <p>Normally, there was a risk of social insurance coverage rate and not all employees were provided with 5 types of social insurance.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------------------|--|-----------|---------------------------------|
| 5. Legal wages are paid | 5.B Ensure that workers receive the insurance... | §1 | NC ZAF600715265 |

Systems and evidence examined to validate this code section

Current Systems:

1. All employees' wages were calculated by hourly rate basis by cash on or before 7th of each month for previous 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 payroll records from December 2023 to October 2024 and attendance records from December 16, 2023 to December 03, 2024 (audit day) were provided for review. As per review of 10 sampled employees' payrolls and attendance records from January 2024, May 2024 and October 2024 (current month), it was noted that all workers were paid at least RMB2,380 per month (RMB 13.68 per hour) per hour since 1 Dec 2022. The legal minimum wage was RMB2,360 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. Paid annual leave benefit was also entitled to the employees who worked more than one year in the facility according to legal law.
5. During this audit, no unreasonable deduction was found.
6. Insufficient social insurance participated.

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.

Findings: non-compliances

ZAF600715265

Non-compliance

Due 2023-02-13

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.

Time given to resolve

60 days

Issue title

423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic

Verification method

Follow up audit

Description

Periodic audit conducted on December 03~04, 2024: Open
Insufficient social insurance. The factory had 33 employees including 2 retired employees and 2 new employees. The social insurance records of the past 12 months were reviewed in the audit were provided for review. As per the social insurance receipts of November 2024 provided, the factory only provided unemployment insurance, industrial injury insurance, endowment insurance, maternity insurance and medical insurance for 16 employees (55.2%). Remark: The factory had bought the commercial injury insurance for 24 employees, valid from March 28, 2024 to March 27, 2025.
社会保险参保不足。目前有33名员工,包括2退休返聘员工和2新员工。审核中查看了过去12个月的社保记录。根据2024年11月的社保记录,仅为16名员工(55.2%)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24名员工购买意外保险,有效期2024年3月28日至2025年3月27日。

Area of non-compliance/non-conformance

Local law

Description (carried over)

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。

Corrective and preventative actions

It is recommended that the facility shall ensure all employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.
建议企业应保证所有员工均参加全部五种社会保险。

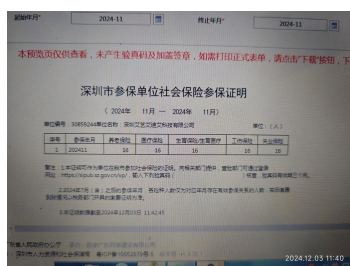
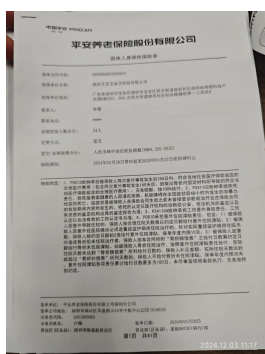
Corrective and preventative actions (carried over)

The factory should ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required.

Local law reference

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.

Evidence



[Commercial injury insurances for 24 employees.jpg](#)



[NC-Insufficient social insurance participated.jpg](#)



* PDF generated at 08:40 (UTC) on 11 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

| | |
|--|---|
| What is the basic wage paid to workers? | Other (provide details) Wages meet a living wage As per review of 10 sampled employees' payrolls and attendance records from January 2024, May 2024 and October 2024 (current month), it was noted that all workers were paid at least RMB2,380 per month (i.e RMB13.68 per hour) which above the legal minimum wage as RMB2,360 per month (i.e RMB13.56 per hour) effective from January 01, 2022. |
| Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers? | Does not use digital payments (give details) All employees' wages were calculated by hourly rate basis by cash on or before 7th of each month for the last month. |
| How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits? | None |

Worker remuneration

| | |
|--|----------------|
| Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers? | Not applicable |
|--|----------------|

Summary information

| | | |
|--|---------------------|-------|
| Is legal wage/legally recognised CBAs data available for any of these options? | Monthly | |
| Is actual wage data available on site for any of these options? | Monthly | |
| Maximum legal working hours | Max hours per day | 8.0 |
| | Max hours per week | 40.0 |
| | Max hours per month | 174.0 |

| | | |
|-------------------------------|--------------------------|----------------|
| Actual required working hours | Required hours per day | 8.0 |
| | Required hours per week | 40.0 |
| | Required hours per month | 176.0 |
| Maximum legal overtime hours | Max hours per day | 3.0 |
| | Max hours per week | Non applicable |
| | Max hours per month | 36.0 |
| Actual overtime hours | Max hours per day | 2.0 |
| | Max hours per week | 18.0 |
| | Max hours per month | 58.0 |
| Minimum legal wage | Min per hour | 13.56 |
| | Min per day | 108.51 |
| | Min per week | 542.53 |
| | Min per month | 2360.0 |
| Actual minimum wage | Actual per hour | 13.68 |
| | Actual per day | 109.43 |
| | Actual per week | 547.13 |
| | Actual per month | 2380.0 |
| Minimum legal overtime wage | Min per hour | Non applicable |
| | Min per day | Non applicable |
| | Min per week | Non applicable |
| | Min per month | Non applicable |
| Actual minimum overtime wage | Actual per hour | 20.52 |
| | Actual per day | 41.03 |
| | Actual per week | 218.88 |
| | Actual per month | 1244.88 |

Wage analysis

| | |
|---|--|
| Number of workers' records checked | 10 |
| Provide the date and details of the records | 10 sampled employees from January 2024 (random month). 10 sampled employees from May 2024 (random month). 10 sampled employees from October 2024 (current paid month). |
| Are there different legal minimum/ legally recognised CBAs wage grades? | No |
| For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs? | Above legal minimum |
| Indicate the breakdown of workforce per earnings | 100% workforce earning above the legal minimum wage. |
| Are there any bonus schemes used? | Yes Post allowance was paid to workers monthly. |
| Were accurate records shown at the first request? | Yes |
| Were any inconsistencies found? | No |

5.A. Living wages are paid

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|---|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current Systems:</p> <ol style="list-style-type: none">1. The facility established wages and benefits policy and procedure, which ensure all employees' minimum wage exceeded the legal requirement.2. The facility has a wage improvement plan for all employees.3. There was an annual review when local wage rates were examined.4. The facility regularly conducted living wage statistics which updated estimates of family living expenses and living wage on sampled workers, the living wage including transportation, education, food, clothes, housing, energy using, unexpecting needs and savings, etc. The living wage "3,024RMB/month" was calculated by the facility in 2024 year.5. The minimum wage was RMB3,880/month (i.e Base wage RMB2,380 + Post allowance 1,500), which exceeds the living wage calculated by the facility. <p>Evidence examined:</p> <ol style="list-style-type: none">1. Wages and benefits policy and procedure.2. Local and national laws.3. Local legal min wage documents.4. Worker interview and management interview.5. Living wage statistics. | | |

6. Working hours are not excessive

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Fundamental Improvements Required |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Fundamental Improvements Required |
| Explanation for management systems grades | <p>1.Policies and Procedures: There was procedure for Working hours. As per the policy, the normal working hours were 8 hours per day and 40 hours per week. Overtime work would be arranged when production needed. There was a procedure on the control of working hours to meet the legal requirements.</p> <p>2.Resources: The admin manager was identified as responsible for work hours including normal work, overtime, rest time, which to ensure the working time compliance with legal law/ETI code. Continuous training was provided for relevant employees every year, and they learned the relevant laws and regulations regularly.</p> <p>3.Communication and Training: The training of work time was conducted when the new employees joined the factory. According to working hours procedures, which includes assessment and refresher training. The written training records were in place. However, communications and/or training is not effective because the sampled workers did not know the work time, overtime and rest day as the limit of legal law.</p> <p>4.Monitoring:Evidence of monitoring working hours procedures and metrics collection defined by procedure and evidence of implementation available.Major gaps in monitoring of procedures that do not ensure sufficient management of working hours on an ongoing basis.i.e the monthly overtime was exceeded the limit of legal law on a regular basis.</p> <p>Normally, there was a risk of exceeding monthly overtime hours. The factory did not ensure the monthly overtime hours control within 36 hours as the limit of legal requirement.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
|-----------|-----------------------|-----------|---------|

6. Working hours are not excessive

6.F Ensure that where overtime is used, it is...

§1

NC [ZAF600715266](#)

Systems and evidence examined to validate this code section

- Current Systems:
- 1. Through worker interview, employees volunteered to work overtime.
 - 2. The facility adopted fingerprint scanning system to record working hours for all employees.
 - 3. Normally employees worked for 5 days a week in 1 shift. There was 1 shift for all workers: 8:00~12:00, 13:30~17:30. Overtime: 18:30~19:30 if necessary. The workers worked on Saturday if necessary, rest on Sunday.
 - 4. There was no obvious peak month in past year.
 - 5.. During audit, the payroll records from December 2023 to October 2024 and attendance records from December 16, 2023 to December 03, 2024 (audit day) were provided for review. As per review of 10 sampled employees' payrolls and attendance records from January 2024, May 2024 and October 2024 (current month), it was noted that the maximum daily overtime hours, weekly total working hours and consecutive working days for all sample population employees were 2 hour per work day, 58 hours per week and 6 days respectively.
- Evidence examined:
- 1. Working hours policy and process.
 - 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.

Findings: non-compliances

| | | |
|--|--|----------------|
| ZAF600715266 | Non-compliance | Due 2023-02-13 |
| Code area 6 Working hours are not excessive | Status Open* | |
| Workplace requirement 6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment. | Time given to resolve 60 days | |
| 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) | Verification method Follow up audit | |
| Description Periodic audit conducted on December 03~04, 2024: Open Monthly overtime hours exceeded the legal requirement. Through attendance records review from December 16, 2023 to December 03, 2024 (audit day) and worker interview, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for January 2024, May 2024 and October 2024 yielded the following: (1) 8 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 56 hours) in January 2024. (2) 8 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 48 hours) in May 2024. (3) 8 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 58 hours) in October 2024. 加班时间超过法规要求。通过2023年12月16日至2024年12月03日（审核当日）的考勤记录查阅和工人访谈，抽样的员工加班时间超过了法定标准，抽样2024年01月、2024年05月和2024年10月的考勤发现： (1) 8/10名抽样员工的2024年01月加班时间超过了每月法定的36小时标准，最高为56小时。 (2) 8/10名抽样员工的2024年05月加班时间超过了每月法定的36小时标准，最高为48小时。 (3) 8/10名抽样员工的2024年10月加班时间超过了每月法定的36小时标准，最高为58小时。 | Area of non-compliance/non-conformance Local law | |
| Description (carried over) 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。 | | |

Corrective and preventative actions

It is recommended that the facility should ensure the overtimes of workers be in accordance with the legal requirements.

建议企业应确保加班时间符合国家法律。

Corrective and preventative actions (carried over)

The factory should ensure that all employees are provided with work-related injury, maternity, medical, retirement and unemployment insurances benefit as legally required.

Local law reference

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.

Evidence

| Employee ID | Employee Name | Overtime Hours |
|-------------|---------------|----------------|
| 10000001 | 10000001 | 36.00 |
| 10000002 | 10000002 | 36.00 |
| 10000003 | 10000003 | 36.00 |
| 10000004 | 10000004 | 36.00 |
| 10000005 | 10000005 | 36.00 |
| 10000006 | 10000006 | 36.00 |
| 10000007 | 10000007 | 36.00 |
| 10000008 | 10000008 | 36.00 |
| 10000009 | 10000009 | 36.00 |
| 10000010 | 10000010 | 36.00 |
| 10000011 | 10000011 | 36.00 |
| 10000012 | 10000012 | 36.00 |
| 10000013 | 10000013 | 36.00 |
| 10000014 | 10000014 | 36.00 |
| 10000015 | 10000015 | 36.00 |
| 10000016 | 10000016 | 36.00 |
| 10000017 | 10000017 | 36.00 |
| 10000018 | 10000018 | 36.00 |
| 10000019 | 10000019 | 36.00 |
| 10000020 | 10000020 | 36.00 |
| 10000021 | 10000021 | 36.00 |
| 10000022 | 10000022 | 36.00 |
| 10000023 | 10000023 | 36.00 |
| 10000024 | 10000024 | 36.00 |
| 10000025 | 10000025 | 36.00 |
| 10000026 | 10000026 | 36.00 |
| 10000027 | 10000027 | 36.00 |
| 10000028 | 10000028 | 36.00 |
| 10000029 | 10000029 | 36.00 |
| 10000030 | 10000030 | 36.00 |
| 10000031 | 10000031 | 36.00 |
| 10000032 | 10000032 | 36.00 |
| 10000033 | 10000033 | 36.00 |
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| 10000036 | 10000036 | 36.00 |
| 10000037 | 10000037 | 36.00 |
| 10000038 | 10000038 | 36.00 |
| 10000039 | 10000039 | 36.00 |
| 10000040 | 10000040 | 36.00 |
| 10000041 | 10000041 | 36.00 |
| 10000042 | 10000042 | 36.00 |
| 10000043 | 10000043 | 36.00 |
| 10000044 | 10000044 | 36.00 |
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| 10000046 | 10000046 | 36.00 |
| 10000047 | 10000047 | 36.00 |
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| 10000067 | 10000067 | 36.00 |
| 10000068 | 10000068 | 36.00 |
| 10000069 | 10000069 | 36.00 |
| 10000070 | 10000070 | 36.00 |
| 10000071 | 10000071 | 36.00 |
| 10000072 | 10000072 | 36.00 |
| 10000073 | 10000073 | 36.00 |
| 10000074 | 10000074 | 36.00 |
| 10000075 | 10000075 | 36.00 |
| 10000076 | 10000076 | 36.00 |
| 10000077 | 10000077 | 36.00 |
| 10000078 | 10000078 | 36.00 |
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| 10000092 | 10000092 | 36.00 |
| 10000093 | 10000093 | 36.00 |
| 10000094 | 10000094 | 36.00 |
| 10000095 | 10000095 | 36.00 |
| 10000096 | 10000096 | 36.00 |
| 10000097 | 10000097 | 36.00 |
| 10000098 | 10000098 | 36.00 |
| 10000099 | 10000099 | 36.00 |
| 10000100 | 10000100 | 36.00 |

[NC-The monthly overtime exceeded 36 hours.jpg](#)

* PDF generated at 08:40 (UTC) on 11 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Data points

| | |
|---|---|
| Is the sample size the same as in the wages section? | Yes |
| Normal day overtime premium as a percentage of standard wages | 150% |
| If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations? | N/A. Overtime hours on normal working days, rest days and holidays were compensated by 150%, 200% and 300% respectively of normal wage standards. |
| Excluding overtime, what are the regular working hours per week for workers at this site? | 40.0 |
| Including overtime, what is the average number of working hours per week for full-time workers at this site? | 53.0 |
| In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site? | 58.0 |
| Maximum number of days worked without a day off in sample | 6 |

7. No discrimination is practiced

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The site had a detailed no discrimination practiced management policy and procedure. And the relevant procedure has been implemented to ensure compliance with this policy. The policies and procedures were reviewed and updated regularly.</p> <p>2.Resources: The admin manger was responsible for communicating, implementing and checking compliance that no discrimination is practiced, specific role identified, undertook the training, learned the relevant laws and regulations to ensure that the factory's policy is implemented. However, she did not have skill to implement the potential discrimination.</p> <p>3. Communication and Training: Training is conducted according to a documented plan. But no training for potential discrimination.</p> <p>4.Monitoring: No discrimination practiced breaches were effectively monitored and overall performance was not monitored by the relevant senior management.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

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 facility were not required to take pregnant tests before or during their employment.
3. Anti-discrimination procedures for hiring, compensation, promotion and access to training were 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.

7. No discrimination is practiced

Data points

| | |
|---|--|
| Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? | 5% |
| Representation of women in managerial roles (ratio of women workers to women managers) | 0% |
| Representation of women in supervisory roles (ratio of women workers to women supervisors) | 18% |
| Three most common nationalities in managerial and supervisory roles | The managerial and supervisory roles were Chinese. |

8. Regular employment is provided

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The site has a detailed employment management which includes commitment to all the SMETA requirements, as well as key responsibilities and procedures by which it would be implemented.</p> <p>2.Resources: The Admin supervisor was responsible for ensuring compliance with the policy. Based on employees' interview and document review, the specific role identified as responsible was documented and all employees were notified. Continuous trainings were provided for relevant employees every year, and they learned the relevant laws and regulations regularly. but no records provided.</p> <p>3.Communication and Training: There was a well-established training programmer in place regarding employment, but partial key persons were not aware of their responsibilities.</p> <p>4.Monitoring: Employment breaches were effectively monitored, and overall performance was not monitored by the relevant senior management.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

1. All workers were recruited by the factory directly and had properly signed contracts with the factory. Workers pay no recruitment fee at any stage of the recruitment process.
2. No labour agency was used to hiring workers.
3. No temporary worker or home worker was identified by auditor.
4. HR department took charge of the entire recruitment process. The relevant HR personnel had been trained and assessed on legal and ethical requirements and followed the recruitment management procedure.
5. Additionally, all of the workers confirmed all terms of employment contract and 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.

8. Regular employment is provided

Data points

| | |
|---|--------|
| Percentage of workers that are permanently or temporarily employed | 100.0% |
| Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment | 0.0% |
| Percentage of workers employed as apprentices, trainees or interns | 0.0% |

8.A. Sub-contracting and homeworkers are used responsibly

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Some Improvements Recommended |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The site had a simple sub-contracting and homeworkers used responsibly management policy and procedure because the factory did not have sub-contracting or homeworkers. It has not led to an NC but is likely to do so in the future.</p> <p>2.Resources: Documentation was not clearly assigned responsibilities because the factory did not have sub-contracting or homeworkers. The admin supervisor was responsible for human rights including sub-contracting or homeworkers. but no records provided.</p> <p>3.Communication and Training: No risk assessment, training and communication records of sub-contracting or homeworker management were conducted because the factory did not have sub-contracting or homeworkers.</p> <p>4.Monitoring: Sub-contracting and homeworkers using responsibly breaches were effectively monitored. However, the responsibilities for monitoring and targets or key performance indicators were not defined and utilised.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

**Systems and evidence examined to
validate this code section**

Current Systems:

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

Evidence examined:

1. List of approval suppliers.
 2. Production records.
 3. Interview with management and workers.
-

8.A. Sub-contracting and homeworkers are used responsibly

Data points

Are homeworkers employed directly or engaged through an agent?

Not applicable

Gender disaggregated data available

Number of homeworkers used

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers?

No
Through supplier control documents and management interview, it was noted that their suppliers did not use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?

No
Through facility tour, worker and management interview, it was noted that the worker's capacity was enough for production, and no additional process needed for subcontracting.

Are any sub-contractors used?

No

9. No harsh or inhumane treatment is allowed

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Some Improvements Recommended |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: The factory established policies and procedures regarding No harsh or inhumane treatment allowed, keeping up-to-date with local and national laws. There were rewards and punishments records provided for review but all were zero.</p> <p>2.Resources: Documentation was not clearly assigned responsibilities . The admin supervisor was responsible for human rights including no harsh or inhumane treatment allowed.</p> <p>3.Communication and Training: There was a well-established training programmer in place regarding the policies and procedures. No assessment of effectiveness for the training.</p> <p>4.Monitoring:There was detailed staff handbook available concerning personnel policies grievance, equal opportunities, etc. Sampled employees stated that they were comfortable to express their viewpoints and most of their concerns were solved. However, there was no awareness of evaluation effectiveness.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Through worker interview confirmed that employees were aware of the disciplinary procedure.
2. As per management interview, document review and worker interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which was an anonymous suggestion box, where employees could report any grievances (harassment, bullying and discrimination). Any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.

Evidence examined:

1. The relevant policy on prevention of harassment and abuse.
2. Internal grievance procedure documentation.
3. Disciplinary action records.
4. Grievance records.
5. Training records.
6. Interview with management and workers.

9. No harsh or inhumane treatment is allowed

Data points

| | |
|--|---|
| Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')? | Yes, there is a formal grievance process |
| | The grievance process is available to all workers |
| | The grievance process is available to members of the local community |
| What type of grievance mechanism(s) are available? | There was an internal process for grievance, which was an anonymous email address and Suggestion box, where workers could report any grievances (harassment, bullying, discrimination etc). |
| Number of grievances raised in the last 12 months | 0 |
| Number of grievances resolved in the last 12 months | 0 |

10.A. Environment 2-Pillar

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Some Improvements Recommended |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: There was an internal policy, procedures in place that addressed environmental management. However, partial data of Usage/discharge analysis were not records.</p> <p>2.Resources: The Admin supervisor was responsible for ensuring compliance with the policy. And the specific role identified as responsible was documented. Continuous trainings were provided for relevant employees every year, and they learned the relevant laws and regulations regularly.</p> <p>3.Communication and Training: Training and communication regarding the policies have been conducted to employees. The relevant records were provided for review, No assessment of effectiveness for the training.</p> <p>4.Monitoring:There was no monitoring of the effectiveness of procedures to meet policy and workplace requirements.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- 1.The facility provided fixed pollution discharge registration receipt record for review.
2. Ms. Jiang/Admin Supervisor was responsible for continuous improvements in the environmental issues.
3. The facility had established written policy on environmental protection. And risk assessment has been conducted for environment.
4. The facility learned about the environmental impact of the site and conducted training for all employees.
5. No fine/prosecution for non-compliance with environmental regulations was identified in past one year.
6. The facility had collected the related laws of environmental protection and they were updated regularly.

Evidence examined:

- 1.Fixed pollution discharge registration receipt record.
- 2.Environment protection policy.
- 3.Laws of environmental protection.
- 4.Training records.
- 5.Worker and management interview.

10.A. Environment 2-Pillar

Data points

| | |
|---|--|
| Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)? | No |
| Does the site have any valid environmental or energy management certificates? | No such certificate. |
| Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)? | No |
| Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change? | Yes The facility made an emergency response plan for the impact of climate change, provided the training for employees regularly. |

10.B. Environment 4-Pillar

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current Systems:</p> <ul style="list-style-type: none">1. Ms. Jiang/Admin 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. <p>Evidence examined:</p> <ul style="list-style-type: none">1. The relevant policy on prevention of environment.2. Pollutant discharge registration.3. Training records.4. Interview with management and workers. | | |

10.B. Environment 4-Pillar

Data points

| | |
|--|--|
| Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks? | Yes |
| What additional specific environmental policies does the site capture? | Sustainable material sourcing Prioritising local suppliers Packaging optimization Zero-waste and recycling protocols |
| Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | Yes This was included in the site's internal management system. |
| Does the site have reduction targets in place to manage climate related risks? | Yes, to reduce scope 1 greenhouse gases (GHGs) |
| Are any of these science-based targets? | No, but we anticipate setting one in the next two years |
| Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))? | Yes Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce costs. |
| Has the site 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? | Yes There were procedures to control and manage business partners and the facility communicated the environmental expectation to its suppliers. |

Usage/discharge analysis

| | Last full calendar year (2023) | Previous full calendar year (2022) |
|--|--------------------------------|------------------------------------|
| Total electricity consumption from non-renewable sources (kWh) | 213,605 | 236,320 |
| Total electricity consumption from renewable sources (kWh) | 0 | 0 |
| Sources of renewable energy used | None | None |

| | | |
|---|-------------------------|-------------------------|
| Types of renewable energy used | Data not available | Data not available |
| Total natural gas consumption (kWh) | 0 | 0 |
| Usage of other purchased fuels | Data not available | Data not available |
| Has the site completed any carbon footprint analysis? | No | No |
| Water sources | local water authority | local water authority |
| Does the site use mercury or mercury compounds? | No | No |
| Water volume used (m3) | 561 | 612 |
| Water discharged | Municipal sewer network | Municipal sewer network |
| Water volume discharged (m3) | 0 | 0 |
| Water volume recycled (m3) | 0 | 0 |
| Total waste produced (mt) | 0.3 | 0.2 |
| Total hazardous waste produced (mt) | 0 | 0 |
| Waste to recycling (mt) | 0.3 | 0.2 |
| Waste to landfill (mt) | 0 | 0 |
| Waste to other (mt) | 0 | 0 |
| Total product produced (mt) | 5,000 | 4,500 |

10.C. Business ethics

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Some Improvements Recommended |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1.Policies and Procedures: Business ethics policy was established, and items such as labour rights, antibribery, etc. were defined. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the local regulations.</p> <p>2.Resources: Documentation clearly assigned responsibilities, processes, and addressed all code areas- they could be considered sound. The Admin supervisor was responsible for implementation of business ethics policy. Continuous trainings were provided for relevant employees every year, and they learned the relevant laws and regulations regularly.</p> <p>3.Communication and Training: Training regarding business policy was conducted for key personnel and the suppliers. No assessment of effectiveness for the training.</p> <p>4.Monitoring: Adherence to the processes was monitored via departmental reporting to the supervisor. and overall performance was not monitored by the relevant senior management.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

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/Admin Supervisor designated person responsible for implementing standards concerning Business Ethics.
- 5.The factory had provided Business Ethics training for all employees.

Evidence examined:

1. Business ethics policy including bribery and corruption.
2. Training records.
3. Worker handbook and Reports from Anonymous email account.
4. Worker and management interview.

10.C. Business ethics

Data points

| | |
|---|---|
| Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)? | No |
| Provide any certified anti-bribery management systems for the site | The facility established a business ethics policy which was communicated to workers through posters and training. Ms. Jiang/Admin Supervisor was responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery. However, the facility did not have the certificate of anti-bribery management system. |

Attachments



[Social Audit Photo record
ZAA600101905,
ET2412030401.pdf](#)



[Social Audit Onsite CAP
ZAA600101905,
ET2412030401.pdf](#)





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