



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000012573	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000013613	
Business name (Company name):	ZCMIM CORPORATION CO LTD			
Site name:	ZCMIM CORPORATION CO LTD			
Site address:	No.4, Jinyuling Road, North Street, Dongcheng Street, Dongguan City, Guangdong Province, China Dongguan 523013 CN	Country:	CN	
Site contact and job title:	Mr. Xiao Zhengde / QA Supervisor			
Site phone:	13147007531	Site e-mail:	603212551@qq.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-10-10			

Audit Company Name:
ELEVATE

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Anson Zhang	APSCA Number:	21701043
Additional Auditors:	Tony Zhu		21703688
Date of declaration:	2023-10-10		

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

Site Representation	
Full Name:	Mr. Xiao Zhengde
Title:	QA Supervisor
Date of declaration:	2023-10-10
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1	§1	1	0	0	NC - 00bab957-802a-47a0-b309-0e93a6350c20
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§2	1	0	0	NC - d5237b10-d953-43d5-8f2f-736acffbe675
6 - Working hours are not excessive	6.1	§3	1	0	0	NC - 572e6bd3-f375-49e0-8dda-778140432003
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with Law of PRC on Work Safety article 45. Production and business entities must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.
§2	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

§3	In accordance with the People's Republic of China Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
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Site Details

Site Details		
Company Name	ZCMIM CORPORATION CO LTD	
Site Name	ZCMIM CORPORATION CO LTD	
GPS location (if available)	GPS Address:	No. 4, Jinyuling Road, North Street, Dongcheng Street, Dongguan City, Guangdong Province, China
	Coordinates:	N23°3'46" E113°48'27"
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: 91441900MA51XRN076 Valid period: from July 2, 2018 to Long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Metal injection molding products	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Zcmim Corporation Co., Ltd. was established in July 2, 2018 and located at No. 4, Jinyuling Road, North Street, Dongcheng Street, Dongguan City, Guangdong Province, China. The factory specialized in the manufacturing of Metal injection molding products. The main production processes included: Injection molding, Debinding, Sintering, Cleaning, Grinding, Polishing, Sand blasting, Inspection and packing. The factory encompassed 1 block of 2-storey, 1 block of 3-storey, 1 block of 5-storey production building and 1 block of 5-storey dormitory building. Dormitory, canteen or kitchen were available for workers used. A total of 152 employees was currently working at the factory, including 145 production workers and 7 non-production worker. There were 74 female employees (49%) and 78 male employees (51%) in the factory. The ethnic background of all management and production workers was mainland Chinese and 80% workers were from other China provinces such as Guangxi, Hubei and Jiangxi provinces etc. All workers were recruited directly by the factory. According to the management team, all workers worked in one shift, normal working hours were from 08:00 to 17:30 with 1.5 hours of lunch time from 12:00 to 13:30. Wages for all workers were calculated by hourly rated basis and paid at the end of each month by bank transfer. According to management, there was no obvious peak season. There was no labour union in the factory.</p>	

Structure and number of buildings	Building Name:		Production Building No. 1
	Floor	Description	Remark
	Floor 1	Debinding, Sintering	N/A
	Floor 2	Inspection and packing	N/A
	Floor 3	Office	N/A
	Building Name:		Production Building No. 2
	Floor	Description	Remark
	Floor 1	Injection molding	N/A
	Floor 2	Warehouse	N/A
	Building Name:		Production Building No. 3
	Floor	Description	Remark
	Floor 1	Raw material warehouse and finished product warehouse	N/A
	Floor 2	Clean, grinding, polishing	N/A
	Floor 3	Sand blasting	N/A
	Floor 4	Empty	N/A
	Floor 5	Empty	N/A
	Building Name:		Dormitory building
	Floor	Description	Remark
	Floor 1	Canteen and Kitchen	N/A
	Floor 2	Dormitory room	N/A
Floor 3	Dormitory room	N/A	
Floor 4	Dormitory room	N/A	
Floor 5	Dormitory room	N/A	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All buildings were in good conditions.		
Does the site have a structural engineer evaluation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season	Select a month to Select a month	
Process overview	The factory specialized in the manufacturing of Metal injection molding products. The main production processes included: Injection molding, Debinding, Sintering, Cleaning, Grinding, Polishing, Sand blasting, Inspection and packing The main production machines included injection molding machine 30 sets, debinding machine 10 sets, sintering machine 10 sets, etc.	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	Workers representatives, EHS committee	
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 30%	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	

Audit Parameters			
Time in and time out	Day 1		
	In	08:35	
	Out	16:45	
Audit type:	FULL_INITIAL		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Mr. Xiao Zhengde / QA Supervisor		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	No trade union was established in the factory		
<i>Reason for absence during the audit</i>	No trade union was established in the factory		
<i>Reason for absence at the closing meeting</i>	No trade union was established in the factory		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	15	0	0	60	0	0	0	75
Worker numbers – female	14	0	0	56	0	0	0	70
Total	29	0	0	116	0	0	0	145
Number of Workers interviewed – male	3	0	0	10	0	0	0	13
Number of Workers interviewed – female	2	0	0	11	0	0	0	13
Total – interviewed sample size	5	0	0	21	0	0	0	26

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

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No worker complained anything during the interview.
What did the workers like the most about working at this site?	Monthly wage could be paid on time and workers could easily leave even during working day.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Most workers want to do more overtime work
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

26 workers (13 females and 13 male) were selected from different departments: Injection molding, Debinding, Sintering, Cleaning, Grinding, Polishing, Sand blasting, Inspection and packing. Out of 26 workers, 6 workers were interviewed individually in factory workshops and 20 workers were interviewed in 4 groups in a meeting room with the intent of making them more comfortable. They stated that there was no abuse, discrimination or harassment reported from workers at this facility. Workers shared that they signed 2 copies of labor contracts and kept 1 copy by themselves. Workers are free to use toilet and drink water without any restrict time or permission from factory managers. All interviewed workers expressed their positive attitude to management and the workplace. They all claimed to be satisfied with the working condition in this factory.

Attitude of worker's committee/union reps:

The workers representative attended the whole assessment process. They were open to assessors. They stated that they were elected by workers. Workers could raise suggestion or complaint through workers representative meeting. They would participate in grievance solution.

Attitude of managers:

Factory management were cooperative with ELEVATE staff and provided full access to the whole facility. Management provided required documents and records in time, accompanied assessor with factory tour and helped select workers for interviews. Three management staffs attended the closing meeting, confirmed all the findings and signed on the CAPR without any argument.

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

0A: Compliance Requirements

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

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

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

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

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

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

The factory has established written policy and procedures to meet the human rights and labour standards required by local law and customers. Mr. Xiao Zhengde / QA Supervisor was responsible for compliance with the human rights to all appropriate parties, including its own suppliers. Through trainings, handbooks and postings at the facility.

Evidence examined:

Details:

- The written policy including human rights.
- Appointment book of person responsible for implementing standards concerning Human rights
- Factory rules
- Social compliance management handbook
- Training records of human rights
- Employee interview, employees could raise the human rights issues by suggestion box confidentially or call the hotline to the Administration manager who was responsible for implementing standards concerning Human rights directly.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a policy statement that express commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy statement was in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Xiao Zhengde / QA Supervisor

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established a transparent system for confidentially reporting.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The effective data privacy procedure had posted in the workshop for worker's review.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 12.0% This year 9.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	7.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 10.0% This year 9.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	5.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Written records were available for review, but no accident occurred.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%

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

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established written policy and procedures to meet the Code and labour standards required by local law and customers. Mr. Xiao Zhengde / QA Supervisor was responsible for compliance with the Code implementation and the Code was communicated to all employees through trainings, handbooks and postings at the facility.

Evidence examined:

Details:

- Employee Handbook
- Business license
- Factory Manual contains details of Code and labour standards required by local law and customers.
- Training records of social compliance

Any other comments:

Nil

Management Systems

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

☐ Yes ☒ No

Please give details:

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

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

Factory established a policies and procedures that reduce the risk of forced labour, child labour, discrimination harassment & abuse

If Yes, is there evidence (an indication) of effective implementation? Please give details.

Factory had established written policy to prohibit forced labour, child labour, discrimination, harassment & abuse. Furthermore, factory established investigation and grievance procedures to solve if any above issue occurred.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers received training on the policy and procedure for forced labour, child labour, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers received training on the policy and procedure of prohibit forced labour, child labour, discrimination, harassment & abuse once per year, with training records kept in place.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such certifications in the factory.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There were 2 staffs in HR department.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Xiao Zhengde / QA Supervisor was responsible for the implementation of the code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established a policy to ensure all workers information confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established an effective procedure to ensure confidential information to keep confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The risk assessment document had provided for review.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the policy / code posted on the wall that require labour standards of its own suppliers.
Land Rights	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had provided the valid land rights licenses such as house property permits for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had set up the written policy and procedures to obtain the FPIC before land acquisition if applicable.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such situation happened in facility.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such situation happened in facility.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has established hiring policy and hiring procedures in place. Factory Manager was familiar with local law regarding prison labour, deposit and wages deductions etc. Workers are not required to stay at the factory if they do not want to, and overtime is voluntary as well. No deposits or any original ID are required to be detained during employment. Resignation is free and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance).

Evidence examined:

Details:

- The facility's policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice.
- Labour contracts with notice periods
- Training of forced, bonded or involuntary prison labour for all employees at the time employee, and re-fresh training was conducted once per year for all employees.
- As per workers interview, it was noted that they are free to leave their working stations once their shifts end; all overtime workings were voluntary; and they are not required to pay any 'deposits' or leave their ID cards.

Any other comments:

Nil

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

<p>If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>N/A</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No any restrictions on workers' freedoms to leave the site at the end of the work day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The factory has established the policy and procedure of the risks of forced / trafficked / bonded labour in its supply chain</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Policy and procedure in place and taking steps to reduce the risk of forced / trafficked labour.</p>

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

[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

Currently, there's one worker committee existing in the factory. All employees have the right to join worker committee. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. The workers could raise any issue or express their concerns through suggestion box or hot line. There was a relevant written policy / procedure documented in place. The meeting between with factory management and worker committee representatives was conducted quarterly.

Evidence examined:

Details:

- Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.
- Employee handbook stated that employees are free to form worker committee. Nobody will be treated differently whether they are members of worker committee.
- The record from the suggestion box and what relevant actions have been taken was reviewed. Facility management commented that they collect the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they will take the relevant actions to improve.
- There were total 4 worker representative elected in the factory. The lasted meeting records between facility management and worker committee representatives were provided to review.

Any other comments:

Nil

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

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The supplier had provided meeting room for the committee to conduct the related business.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There was a EHS Committee and Worker's Representative in place.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The interviewed workers confirmed that the worker representatives were selected by them, so they were aware clearly of who their representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-02-22
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last worker committee meeting conducted on August 30, 2023 topic regarding the Fire safety, PPE was discussed, and the meeting minutes were posted on public board for employees' acknowledgement.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

The facility generally provided an adequate work environment and maintains a comfortable temperature throughout. The electrical system was in a good condition. The factory posted the evacuation plans at work floor. Exit signs were installed. The facility has provided enough fire extinguishers in all working sections. A functional fire alarm system can be found in the facility. The facility's policy and procedures were communicated through the notice board in the local language. Drinking water was provided and installed in workshops. Sufficient and proper supplies/items were stocked in all of the first aid kits.

Evidence examined:

Details:

- Fire-fighting equipment inspection and maintenance records
- Fire permit
- Construction safety approval
- Chemical safety training, Chemical list and MSDS for each chemical
- PPE training
- Workplace occupational hazards factor testing report
- License for special operation
- Fire drill records
- First aider certificates
- Drinking water testing report
- Interviews with EHS manager

Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes ☐ No

Please give details:

The factory had established the general Health & Safety and occupational Health & Safety policies and procedures, and they posted on the workshop for worker's review.

Are the policies included in workers' manuals?


☒ Yes ☐ No

Please give details:

The workers' manual had included the relate policies.

Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any structural additions without required permits/inspections
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: PPEs and trainings are provided to all visitors.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any local law requires a medical room in the factory.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sufficient first aiders were available in the factory.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable, no transport was provided
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has provided secure personal storage space for workers in their living space.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had made the H&S risk assessment to evaluating the arrangements for workers doing overtime.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: As per document review, the facility had obtained the EIA report/approval and EPCA

<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>As per document review, the facility had established hazardous substance management procedure and chemical management procedure to control the risks of chemicals and hazardous substances. The evaluation and approval for new purchase chemicals was established in the facility. The suppliers should submit the MSDS, third party testing report to indicating no hazardous substance included before selected as qualified suppliers. These suppliers also should sign declaration for no hazardous substance included. Annual audits were also conducted for the suppliers. The facility had established the hazardous and non-hazardous waste inventory and were reviewed annually. They had conducted regular training for workers responsible for hazardous waste handling and disposal. As per factory management, they had set the hazardous waste minimization plan annually.</p>
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Non-Compliance		Evidence																												
[Back to findings summary]																														
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>00bab957-802a-47a0-b309-0e93a6350c20</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate</td></tr><tr><td>Subcategory</td><td>Personal Protective Equipment/Clothing</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Law of PRC on Work Safety article 45. Production and business entities must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that the factory had provided the personal protective equipment such as dust mask to its worker in polishing section in 2F of production building #3. However, 1 out of 8 workers wear disposable mask rather than dust mask. 在此次审核过程中, 审核员发现工厂给抛光工人提供了个人劳动防护用品如防尘口罩, 但在3号厂房2楼抛光车间8名中的1名工人佩戴了一次性口罩而不是防尘口罩。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> <input type="checkbox"/></td></tr></table>		Non-Compliance		Status	OPEN	Reference	00bab957-802a-47a0-b309-0e93a6350c20	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	Subcategory	Personal Protective Equipment/Clothing	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Law of PRC on Work Safety article 45. Production and business entities must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	It was noted that the factory had provided the personal protective equipment such as dust mask to its worker in polishing section in 2F of production building #3. However, 1 out of 8 workers wear disposable mask rather than dust mask. 在此次审核过程中, 审核员发现工厂给抛光工人提供了个人劳动防护用品如防尘口罩, 但在3号厂房2楼抛光车间8名中的1名工人佩戴了一次性口罩而不是防尘口罩。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> <input type="checkbox"/>	<div></div> <div>NC-improper mask was wore.JPG</div>
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	365 days	Other	
Actions	It is recommended that factory should provide appropriate PPE to workers and regular PPE training to workers, conduct regular PPE safety inspection at workplace, and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.		

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in the personnel files. All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. Hiring procedure and related protection policy of young workers were also kept in place. No child labour or juvenile workers was working at the factory currently.

Evidence examined:

Details:

- Personal file
- Roster of employees
- Management and employee interview

Any other comments:

Nil

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

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

Written wage & benefits policy (involved relevant local law regarding MW, OT wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labour contracts, factory rules (covered disciplinary measures policy / deductions from wages) posting and training etc.

During this assessment, the factory provided 12 months' payrolls (from September 2022 to August 2023) for assessor review. A sampling of these provided records for the months of August 2023 (most recent month), June 2023 (Random month) and March 2023 (Random month) were reviewed. As per factory management and provided payrolls, wages for all workers were calculated on hourly rated basis and paid before the end of each month by bank transfer, and the payment cycle was from 1st to end of month. Based on provided payrolls and time attendance records, the workers earned a monthly wage of RMB 3250 ~ RMB 7954 with the average of RMB 4196. The calculated hourly rate was RMB 10.92 with the average of RMB 14.25 per hour, which were equal to or above the local legal minimum wage standard of RMB 10.92 per hour since December 1, 2021. For the overtime wages: all workers were paid at 1.5X, 2X and 3X of workers' normal wage rate as legally required. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil. For social insurance, a total of 141 employees were eligible to receive five types of social insurances in September 2023 according to the law (There were 152 employees in the factory, included 4 employees reached retirement age and 7 employees newly hired since September 2023). However, through review of social insurance enrollment list, only 137 employees were enrolled in pension insurance, medical insurance, occupational injury insurance, unemployment insurance and child-bearing insurance. (Remark: 4 employees had participated in commercial insurance, with the effective period from February 22, 2023 to February 21, 2024)

Evidence examined:

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers payroll records
- Past 12 months payroll and 14 months' time records
- Social insurance and payment receipts

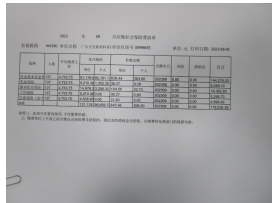
Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 3.0 Per Week: 20.0 Per Month: 88.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 87.36 Per Week: null Per Month: 1900.0	Actual Per Day: 87.36 Per Week: null Per Month: 1900.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: null Per Week: null Per Month: null	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples from August 2023 (most current month) 26 samples from June 2023 (Random month) 26 samples from March 2023 (Random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 1900		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: RMB 100-2000 per month for post allowance Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, income tax etc		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Please list all deductions that have been made.	Social insurance, income tax etc
Please list all deductions that have not been made.	N/A
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: legal attendance hours and overtime hours were fully recorded.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility conducted internal social compliance audit regularly, which covered the review of the workers' wages, the local legal minimum wage standards and basic needs of workers plus discretionary income, etc
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence																									
[Back to findings summary]																											
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>d5237b10-d953-43d5-8f2f-736acffbe675</td></tr><tr><td>Clause</td><td>5 - Living Wages are Paid</td></tr><tr><td>Issue Title</td><td>424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated</td></tr><tr><td>Subcategory</td><td>Benefits & Insurance</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.</td></tr><tr><td>ETI code</td><td>5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that a total of 141 employees were eligible to receive five types of social insurances in September 2023 according to the law (There were 152 employees in the factory, included 4 employees reached retirement age and 7 employees newly hired since September 2023). However, through review of social insurance enrollment list, only 137 employees were enrolled in pension insurance, medical insurance, occupational injury insurance, unemployment insurance and child-bearing insurance. (Remark: 4 employees had participated in commercial insurance, with the effective period from February 22, 2023 to February 21, 2024) 在此次审核过程中, 审核员发现在141名符合参保条件的员工中, 只有137名参加了养老保险、医疗保险、工伤保险、失业保险和生育保险。工厂为4名员工购买了商业保险, 保险</td></tr></table>			Non-Compliance		Status	OPEN	Reference	d5237b10-d953-43d5-8f2f-736acffbe675	Clause	5 - Living Wages are Paid	Issue Title	424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated	Subcategory	Benefits & Insurance	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.	ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	Explanation to the non compliance	It was noted that a total of 141 employees were eligible to receive five types of social insurances in September 2023 according to the law (There were 152 employees in the factory, included 4 employees reached retirement age and 7 employees newly hired since September 2023). However, through review of social insurance enrollment list, only 137 employees were enrolled in pension insurance, medical insurance, occupational injury insurance, unemployment insurance and child-bearing insurance. (Remark: 4 employees had participated in commercial insurance, with the effective period from February 22, 2023 to February 21, 2024) 在此次审核过程中, 审核员发现在141名符合参保条件的员工中, 只有137名参加了养老保险、医疗保险、工伤保险、失业保险和生育保险。工厂为4名员工购买了商业保险, 保险	<div></div> <div><u>NC-Insufficient social insurances.JPG</u></div>
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	期限从2023年2月22日 至2024年2月21日。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.	

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

There's a written policy concerning working hours and overtime hours (how to refuse OT and OT wage rate etc.), as well as a system for monitoring working hours and overtime hours. The factory keeps face or fingerprint scanning attendance system ensure the attendance system to be accurate. Procedures for special terms of young workers and pregnant women etc. are also in place.

During this assessment, the factory provided 14 months' time attendance records (from September 1, 2022 to October 10, 2023) for assessors' review. A sampling of these provided records for the months of August 2023 (most recent month), June 2023 (Random month) and March 2023 (Random month) were reviewed. Based on provided time attendance records, workers' working hours was regular 8 to 10 hours per day / 48-60 hours per week, with the average being 56 hours per week. The most continuous working days without rest were 6 days, while the average continuous working days without rest were 6 days. No OT extension waiver approval was obtained by the factory.

Evidence examined:

Details:

- Employee handbook
- Wages and benefits policy
- Annual leave records
- Resigned workers time records
- Past 12 months payroll and 14 months' time records
- Production records

Any other comments:

Nil

Working hours' analysis

Systems & Processes

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

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	88 hours per month/ 20 hours per week/3 hours per day
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: 60 hours=40 regular hours+20 overtime hours
Approximate percentage of total workers on highest overtime hours:	90.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Through employees' interviews, all selected employees stated that they worked overtime on their willing. And they could refuse to work overtime if they did not want to. Through handbook review, it was noted that the facility did not use monetary penalties as disciplinary means.
Overtime premium	

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

Non-Compliance

Evidence

[\[Back to findings summary\]](#)

Non-Compliance	
Status	OPEN
Reference	572e6bd3-f375-49e0-8dda-778140432003
Clause	6 - Working Hours are not Excessive
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive
Subcategory	Overtime
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other
Root cause - Other	
Local law issue	In accordance with the People's Republic of China Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
Explanation to the non compliance	It was noted that the monthly overtime hours of 26 out of 26 randomly selected workers (from all sections) exceeded 36 hours in August 2023 with the highest of 88 hours; 26 out of 26 (from all sections) exceeded 36 hours in June 2023 with the highest of 83 hours; 26 out of 26 (from all sections) exceeded 36 hours in March 2023 with the highest of 87 hours; No workers had worked more than 3 overtime hours per day. 在此次审核中, 审核员发现在随机抽取的26名工人中, 有26名工人 (来自于所有车间) 的月加班时间在2023年8月超过36小时, 最高达到88小时; 在2023年6月, 随机抽取的26名工人中有26名工人 (来自于所有车间) 月加班时间超过36小时, 最高达到83小时; 在2023年3月, 随机抽取的26名工人中有26名工人 (来自于所有车间) 月加班时间超过36小时, 最高达到87小时。没有工人每天加班超过3小时。
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit

工号	车间	日期	加班小时	加班小时	加班小时	加班小时	加班小时	加班小时	加班小时
001	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
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003	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
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006	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
007	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
008	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
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011	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
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013	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
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093	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
094	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
095	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
096	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
097	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
098	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
099	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30
100	01	20230801	07:30	12:30	17:30	17:30	17:30	17:30	17:30

NC-Monthly overtime hours exceeded 36 hours.jpg

Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.	

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has written policy on anti-discrimination as well as policy on compensation, promotion and training etc.
New staff hiring policy and advertise indicates that no pregnancy or health check (HIV testing, HB check) was required.
Gender and ethnic balance between workers and middle management is proper. There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination.

Evidence examined:

Details:

- Factory policy, hiring procedure
- Employee handbook,
- Payrolls, training records
- Contracts, termination records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0%Female: 70.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	5 female workers worked in sample making section		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A		
Professional Development			
What type of training and development are available for workers?	Continual on-job training, skill training and competency development training.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

Work performed was on the basis of recognized employment relationship established through national law and normal practice. The factory never used any home-workers or agency workers. No apprentice or temporary worker was working in the factory. The factory signs labour contracts with employees within 30 days since employment, and all workers can have their own a copy of the contract and pay slip. HR staff was aware of local law concerning above worker pattern.

Evidence examined:

Details:

- Factory policy, employee handbook
- Labour contracts
- Hiring and termination records
- Personal files
- Management and workers interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

- ☒ Terms & Conditions presented ☒ Understood by workers
- ☒ Same as actual conditions

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

☐ Yes ☒ No

Migrant Workers	
Type of work undertaken by migrant workers:	All production processes are taken by the domestic migrant workers.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No such case was found.
Is there any observation on this finding?	No
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 20 migrant workers in skilled technical or management roles.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A no agency worker was used in the factory
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A no agency worker was used in the factory
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A no agency worker was used in the factory
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractors in this factory.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractors in this factory.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory has customer policy on sub-contracting, homeworking and external processing, as well as written policy and procedure in place to control external working. Through site tour, documents review and management & workers interview, no external working was being used currently.

Evidence examined:**Details:**

- Written procedure of subcontracting management system
- Facility tour
- Management interview

Any other comments:

Nil

Summary of sub-contracting – if applicableIs there any sub-contracting at this site? ☐ Yes ☒ No**Summary of homeworking – if applicable**Is homeworking used at this site? ☐ Yes ☒ No

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

9: Compliance Requirements

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined

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

Current Systems:

The factory has established an anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited in this facility.

The disciplinary procedure only includes oral warning, written warning and education, which was confirmed through worker interview.

The factory has established a grievance mechanism with a non-retaliation policy and allows workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place.

Security practices were humane and comply with customers' expectations.

Evidence examined:

Details:

- Policy of prevention of harassment and abuse.
- Internal grievance procedure documentation.
- Training records
- Employee interview

Any other comments:

Nil

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

☒ Yes ☐ No

Please give details:

Hotline and suggestion box had been posted on the workshop.

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

The factory management had made the training to workers and posted the hotline and suggestion box on the workshop. Interview with workers showed that the workers are aware of the above channels and have access.

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

Suggestion box

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

- ☒ Worker ☐ Communities
☐ Suppliers ☐ Other

Please provide grievance mechanism details

All employees said they could use suggestion box to report violations of Labour standards and H&S.

Are there any open disputes?

☐ Yes ☒ No

Please give details:

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

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

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current Systems:

The factory did not have any policy on foreign migrant worker or agency worker in place, and did not use agency worker.
Factory management knows little about related law regarding agency worker.

Evidence examined:

Details:

- Hiring procedure
- Personnel files
- Employee handbook
- Employee interview

Any other comments:

Nil

10B2 - Environment 2-Pillar
[Summary of Findings]

10B2: Compliance Requirements

10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current Systems:

The site has written policy in place concerning environment issue (including hazardous waste disposal handling procedures), and the responsible management staff was aware of local laws / regulations governing environment, keeps the law up to date .
Hazardous wastes of wasted chemical containers generated from the production process, which including waste empty containers . The hazardous waste and waste water were collected by the qualified collector. The service contract and the license were provided and checked .
The factory had obtained Environment Impact Assessment report / Approval / Environmental Protection Completion Acceptance as legally required and the discharge registration receipt of the fixed pollution source .
Based on factory tour, no obvious environmental pollution to the surroundings was found.

Evidence examined:

Details:

- Environmental policy
- Pollutant Discharge Registration
- Risk assessment records
- Emergency reduction target
- Environmental impact report
- Environmental project completion acceptance report
- Hazardous waste disposal records
- Workers and Factory management interview
- Factory tour

Any other comments:

Nil

Attachments



EVT-CN-SMTA-248757_Photo Form_Zcmim
Corporation Co.,Ltd_Oct 10, 2023.pdf



EVT-CN-SMTA-248757_Signed CAPR_Zcmim
Corporation Co.,Ltd_Oct 10, 2023.pdf



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