



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000020727	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000023683	
Business name (Company name):	ZHEJIANG UKPACK PACKAGING CO.LTD			
Site name:	ZHEJIANG UKPACK PACKAGING CO LTD			
Site address:	Tangjiazha village,Ditang Street Yuyao City,Zhejiang,China Yuyao 315490 CN	Country:	CN	
Site contact and job title:	Mr. Ji Shunjin / General Manager			
Site phone:	13867191426	Site e-mail:	Lucasji@ukpack.cn	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-01-10			

Audit Company Name:
Benchmarks Company Limited

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:	Angela Lei	APSCA Number:	32200631
Additional Auditors:			
Date of declaration:	2024-01-11		

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. Ji Shunjin
Title:	General Manager
Date of declaration:	2024-01-11
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>	0.B.3		1	0	0	NC - ZAF600316564
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>			0	0	0	
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1	§1	1	0	0	NC - ZAF600316563
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

Local Law Issues

Issue	Description
§1	Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Site Details

Site Details			
Company Name	ZHEJIANG UKPACK PACKAGING CO.LTD		
Site Name	ZHEJIANG UKPACK PACKAGING CO LTD		
GPS location (if available)	GPS Address:		
	Coordinates:	N 30°8'36" E 121°8'55"	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license no.: 91330281MA282DNF30, valid from 27 July 2016 to long-term		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Trade and design		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	ZHEJIANG UKPACK PACKAGING CO.LTD was located at Tangjiazha village, Ditang Street Yuyao City, Zhejiang, China. They started their operation at the existing location since 2016. The factory uses a portion of the second floor of a six stories building as an office area		
Structure and number of buildings	Building Name:	1	
	Floor	Description	Remark
	1	Not used for auditing companies	N/A
	2	Partially used for offices	N/A
	3-6	Not used for auditing companies	N/A
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No obvious structural crack was observed during the audit		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided certificate of inspection for completed building construction and registration records.		
Site function	<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	Place order → Design → Inspection → Delivery		

What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Mr.PN was elected as the worker representative.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not provide dormitory to their workers

Audit Parameters			
Time in and time out	Day 1		
	In	09:00	
	Out	17:00	
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. Ji Shunjin / General Manager		
Is further information available	No		

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	3	0	0	0	0	0	0	3
Worker numbers – female	7	0	0	0	0	0	0	7
Total	10	0	0	0	0	0	0	10
Number of Workers interviewed – male	3	0	0	0	0	0	0	3
Number of Workers interviewed – female	7	0	0	0	0	0	0	7
Total – interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No obvious peak season was available in the factory.	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No workers complained anything during the interview
What did the workers like the most about working at this site?	Paid on time, stable jobs at hometown and factory management was kind to them.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The interviewees verified that they had the choice to decide whether worked OT or not according to the voluntary principle.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

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

Attitude of worker's committee/union reps:

The worker representatives said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect

Attitude of managers:

Management interview was conducted through the audit. The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; take photos of the factory, copy relevant document records and conduct confidential workers interview. During the audit, management showed they were willing to gradually improve all issues found on-site.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had well set up a proper management system to implement social compliance requirements.
2. There was an internal audit team for quality who in addition to take on the role for internal audit of the social standards of the factory. The internal audit and management review records were provided.
3. Implementation of any necessary changes was then given to the individual department heads after agreement with the factory management, this system was fully effective.

Evidence examined:

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

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory published a human rights statement, and the statement was posted out.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The workers' manual includes the statement of human rights
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. Ji Job title:General manager

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the management department's office and only reviewed by the administration manager, nobody could review without the administration manager's written authorization.
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 0.0% This year 7.0%
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 0.0% This year 0.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accidents were recorded per month in the factory. It was noted that there were no accidents in this year and last year.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%

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

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had established an internal audit and supplier assessment program on social responsibility. The factory had conducted social accountability internal audit to itself.
2. Manager was appointed to be responsible for compliance with the local laws and the Codes.
3. Based on the interview of factory management, they were familiar with local laws and ETI Base Code.
4. The factory had communicated this Code to their suppliers.

Evidence examined:

- 1.Social accountability Policy and Procedure
- 2.Internal audit report
- 3.Assessment record
- 4.Assessment Report
- 5.Management interview and workers interview
- 6.Factory tour

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:

Through management & employees interviews, no record was noted in any public information channel.

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

☒ Yes ☐ No

Please give details:

Policies existed for Forced labour, Child Labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies exist for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting), and these are communicated to workers via poster and annual training. Workers stated no forced labour, no child labour was found (through interview and document review), there were both female and male among management/supervisors.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The training records were available in the factory.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training records: - Training for management/supervisors. - Introductory training record for new employees. - Confirmed via management and worker interview.
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: The site had not internationally recognised system certificates.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Ji / General Manager was responsible for human resource
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. Ji / General Manager
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A displayed policy on the confidentiality of an individual's personal information.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the management department's office and only reviewed by the administration manager, nobody could review without the administration manager's written authorization.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a complete set of written risk assessment procedure and/or records such as job analysis records for pregnant women.

Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Any problems found at internal audit were brought to the attention of senior management and corrective action was taken.
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: Factory established a policy and relative procedures of requiring its own suppliers to comply with labour standards.
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 site showed the auditor their legal required land right licenses for review. Such as, the "Report of inspection for completed building construction projects".
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: These were performed by the company's legal staff and the landlord to accept procedures for due diligence.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such finding
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: N/A
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: All the areas of factory were legal according to the interview and document review.

Non-Compliance		Evidence																												
[Back to findings summary]																														
<table><thead><tr><th colspan="2">Non-Compliance</th></tr></thead><tbody><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600316564</td></tr><tr><td>Clause</td><td>0B - Management Systems and code Implementation</td></tr><tr><td>Issue Title</td><td>687 - The ethical Code (i.e. ETI Base Code for SMETA audits) is not communicated to the site's employees</td></tr><tr><td>Subcategory</td><td>Site's Awareness of Code/Legal Requirements</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>ETI code</td><td>0.B.3 - Suppliers are expected to communicate this Code to all employees.</td></tr><tr><td>Explanation to the non compliance</td><td>Not all workers were aware of the ETI code. During worker interview, 2 out of 10 workers interviewed were not aware of the ETI code. 不是所有员工理解ETI准则。在员工访谈期间, 访谈10名员工, 有2名员工不理解ETI准则。</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"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>It is recommended that all workers are made aware of the content of the ETI code. 建议企业增强员工对ETI准则的理解。</td></tr></tbody></table>		Non-Compliance		Status	OPEN	Reference	ZAF600316564	Clause	0B - Management Systems and code Implementation	Issue Title	687 - The ethical Code (i.e. ETI Base Code for SMETA audits) is not communicated to the site's employees	Subcategory	Site's Awareness of Code/Legal Requirements	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		ETI code	0.B.3 - Suppliers are expected to communicate this Code to all employees.	Explanation to the non compliance	Not all workers were aware of the ETI code. During worker interview, 2 out of 10 workers interviewed were not aware of the ETI code. 不是所有员工理解ETI准则。在员工访谈期间, 访谈10名员工, 有2名员工不理解ETI准则。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that all workers are made aware of the content of the ETI code. 建议企业增强员工对ETI准则的理解。	
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Subcategory	Site's Awareness of Code/Legal Requirements																													
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																														
ETI code	0.B.3 - Suppliers are expected to communicate this Code to all employees.																													
Explanation to the non compliance	Not all workers were aware of the ETI code. During worker interview, 2 out of 10 workers interviewed were not aware of the ETI code. 不是所有员工理解ETI准则。在员工访谈期间, 访谈10名员工, 有2名员工不理解ETI准则。																													
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit																													
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other																													
Actions	It is recommended that all workers are made aware of the content of the ETI code. 建议企业增强员工对ETI准则的理解。																													

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1 The factory rules and policy showed that there was no forced, bonded labour. No prison labour would be used.

2 Workers were not required to lodge deposit or their personal identity cards and were free to leave their employer after reasonable notice.

3 The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.

4 The above was confirmed in management and worker interview.

Evidence examined:

1 Through the employee interview, the factory did not require to deposit or withhold employees' ID card; employees were free to go if they had reasonable noticed; there was no forced, bonded or involuntary prison labour; the factory did not limit employees' freedom.

2 Resignation records

3 Factory rules

4 Employee handbook

5 Management and worker interview

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: N/A
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The site understood the risks of forced / trafficked / bonded labour in its supply chain, and no forced labor was used.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory would regularly carry out social compliance assessment for all their suppliers

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

[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

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

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)

- ☐ Union ☒ Worker Committee
- ☐ Other ☐ None

Other details:

Mr.Pan was elected as the worker representative.

Is it a legal requirement to have a union?

- ☐ Yes ☒ No

Is it a legal requirement to have a worker's committee?

- ☐ Yes ☒ No

Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)

- ☒ Yes ☐ No

Please give details:

Suggestion box, phone call, Wechat, Email or go to team leader/management level/worker representatives

Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is a meeting room available for the Union and worker's committee to meet and the members were allowed 2 hours per month for a meeting.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committees
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All the workers knew who their representatives are
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-17
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The related selected document and meeting records were kept and available for review.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Safe and hygienic working environment was provided
2. Workers received regular and recorded Health & Safety training
3. Clean potable water were accessible.
4. Factory assigned responsibility for Health & Safety to a senior management representative

Evidence examined:

1. Health and safety policy/manual
2. Training records and certificates
3. Government licenses
4. Special equipment inspection reports and qualified operator certificates
5. Fire equipment maintenance records
6. Fire drill and evacuation records
7. Building structure safety certificates
8. Fire safety certificates
9. First aider certificates
10. Interview with H&S manager and committee members /workers
11. Site tour

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 the general H&S and occupational Health & Safety policies and procedures, and the factory had a H&S manager and a H&S committee who held the meeting each quarter

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

Workers' manual including facility's general Health & Safety and occupational Health & Safety policies and procedures and detailed requirements.

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 structural addition was found during the audit.
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: The visitors were informed on H&S when entered the factory by training, provided with personal protective equipment when necessary.
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: There was no medical room for this unit. The first aid box in workshop was stocked with suppliers of first aid.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was 1 first aid personnel 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: No transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided to workers by factory.
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: Factory conducted H&S risk assessment each year during internal audit and factory's H&S committee members checked and monitored daily H&S risk status every working day.
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: The audited factory obtained all necessary environment certificates as per legal requirements.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had met its customer requirements on environmental standards. No banned chemicals were used

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. There was a written policy in regarding to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory.

2. To prevent hiring child labour, the factory also established age verification mechanism. The HR staffs would authenticate ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process.

3. According to review of employees' personal files and employee interview, there was no child labour in the factory.

4. Through reviewing employees' personnel files and whole factory tour, there was no employee that was under 18 years.

Evidence examined:

1. The recruitment policy on child labour was reviewed.

2. Recruitment procedure

3. Latest employee list

4. Personnel files of all workers

5. Interview with management and workers

6. Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	21
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: No child labour was identified during the audit

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. All workers' minimum wage met with legal requirement.
2. All workers were paid by cash and each worker was given a pay slip and signed for their wages.
3. Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate workers.
4. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.

Evidence examined:

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

Any other comments:


Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 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: 0.0 Per Week: 0.0 Per Month: 0.0	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: 95.17 Per Week: 475.85 Per Month: 2070.0	Actual Per Day: 174.71 Per Week: 87.55 Per Month: 3800.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples in November, 2023(Latest payment month) 10 samples in July, 2023(Random month) 10 samples in December, 2022 (Random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Minimum RMB174.71/day, RMB3800/month		
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:Nil 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, individual income tax deductions were required by law.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Individual income tax, Social insurance		
Please list all deductions that have not been made.	Nil		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

Non-Compliance		Evidence																								
[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>ZAF600316563</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 type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td>Workers didn't want to participate in social insurance scheme 工人不想参加社会保险计划</td></tr><tr><td>Local law issue</td><td>Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. 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Explanation to the non compliance	Insufficient social insurance participated. Through document review, it was noted that not all employees had participated in all 5 types of social insurance. There were 12 employees in the factory, no one had reached at retirement age, no newly																									

	hired workers, so factory should provide 5 kinds of insurance to 12 employees, according to the December ,2023's receipt, factory bought pension insurance、unemployment insurance、work-injury insurance、medical insurance and maternity insurance for 9 employees. Remark: The company did not purchase commercial insurance for any employee 参加的社会保险不足。通过文件审查，注意到并非所有雇员都参加了所有5种类型的社会保险。工厂有12名员工，没有人达到退休年龄，也没有新雇佣的工人，所以工厂应该为12名员工提供5种保险，根据2023年12月的收据，工厂为9名员工购买了养老保险、失业保险、工伤保险、医疗保险和生育保险。备注：公司未为任何员工购买商业保险	
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 facility shall ensure all employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. 建议企业应保证所有员工均参加全部五种社会保险	

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The working hours in the factory were recorded by electric attendance system.
2. The working hour policy, labour contracts and etc. indicated that the regular working hours in the factory were 8 hours per day and 6 days per week.
3. All workers in worker interview stated that they worked overtime on voluntary basis.
4. All workers had one day off in seven days.
5. No collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
6. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.

Evidence examined:

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

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used? Fingerprint check-in device

Is sample size same as in wages section? ☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
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)	Maximum overtime 0 hours/day, 0 hours/week, 0 hours/month in November 2023. Maximum overtime 0 hours/day, 0 hours/week, 0 hours/month in July 2023. Maximum overtime 0 hours/day, 0 hours/week, 0 hours/month in December 2022.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: As per all sampled employees' time records, the highest total weekly working hours (standard + overtime hours) were 48(40+8)
Approximate percentage of total workers on highest overtime hours:	100.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Confirmed by worker interview
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers were paid at a premium monthly.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	N/A
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	N/A
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
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

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2	
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?	PPE using training, machine operating training, chemical usage training, human right training etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

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

Any other comments:

Nil

Responsible Recruitment

All Workers

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

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

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

- ☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:	All types of works in the factory.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there any observation on this finding?	N/A
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
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: No contractor on site
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A



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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. A site tour showed that all production processes were present in the unit.
2. No sub-contracting or home-working was used in the facility.
3. As per management interview and factory tour, there was not homeworker used by the factory

Evidence examined:

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

Any other comments:

Nil

Summary of sub-contracting – if 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:

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

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

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

Evidence examined:

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

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:

There were published, anonymous and open channels available for reporting any violations of Labour standards and H&S

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

The workers had free access to all channels.

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

Hot line and comment box.

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

- ☒ Worker ☐ Communities
☐ Suppliers ☐ Other

Please provide grievance mechanism details	Employees could raise their grievances directly to supervisors, worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would feedback to the specific reporter or post corresponding feedback on the bulletin board if it refers to all employees' care.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.No employment agency was used by the factory.
- 2.The factory recruited the new workers by the advertisements or the employee's recommendation.
- 3.All workers would be reviewed and validated with the original documentation before they were employed

Evidence examined:

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

Any other comments:

Nil

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

10B4: Compliance Requirements

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

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

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

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

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

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

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

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

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

10B4: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Mr. Ji / General Manager was responsible for the environment management system in the facility.
2. The facility management maintained all legally required environmental documents in place which proved that the production of the facility was in compliance with the related environmental regulations.
3. The legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document was available and valid during the audit.
4. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law.
5. The factory had signed contract with the qualified collector and all waste generated by the factory would be submitted to the collector.
6. Based on employees' interview, they were trained on environmental protection.

Evidence examined:

1. During this audit, all legally required environmental documents were provided for review.
2. The hazardous waste collector qualification documents, duplicated forms for transferring hazardous wastes and hazardous wastes transferring contracts were available for review.
3. Worker and management interview.
4. Site tour

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Ji / General Manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Site conducted an internal risk assessment on the environmental impact of the site.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It addressed the key impact from operation and commitment to improvement.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory had no sustainability systems
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental impact register and EIA approval for this factory
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No hazardous chemicals on site.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such system available in the factory.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Weights of recycled waste were recorded for continuous improvement targets	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Measured to reduce costs	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, site did not have sub-contracting agency	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	31050	1145
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water supply	Municipal water supply
Water Volume Used	94	3
Water Discharged	Municipal sewer system	Municipal sewer system
Water Volume Discharged	0	0
Water Volume Recycled	0	0
Total waste produced	0	0
Total hazardous waste produced	0	0
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	40 million sets of plastic bottles and 15 million sets of food pump heads	1.45 million sets of plastic bottles and 53000 million food pumps

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

10C: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established Anti-bribery and Anti-corruption policy and procedure.
- 2.The factory signed Anti-bribery agreement with suppliers and employees.
- 3.The factory had a transparent system in place for confidentially reporting.
- 4.A senior manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- 5.The factory had provided Business Ethics training for all employees.

Evidence examined:

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

Any other comments:

Nil

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



- ☒ Internal Policy
- ☒ Policy for third parties including suppliers

Please give details:

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

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

Attachments

 <u>ZAA600042893-BMXM014021-01B-ZHEJIANG</u> <u>UKPACK PACKAGING CO.,LTD-2024 Jan 10-11-</u> <u>Photo 4P.pdf</u>	 <u>ZAA600042893-BMXM014021-01B-ZHEJIANG</u> <u>UKPACK PACKAGING CO.,LTD-2024 Jan 10-11-Signed</u> <u>CAP 4P.pdf</u>
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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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