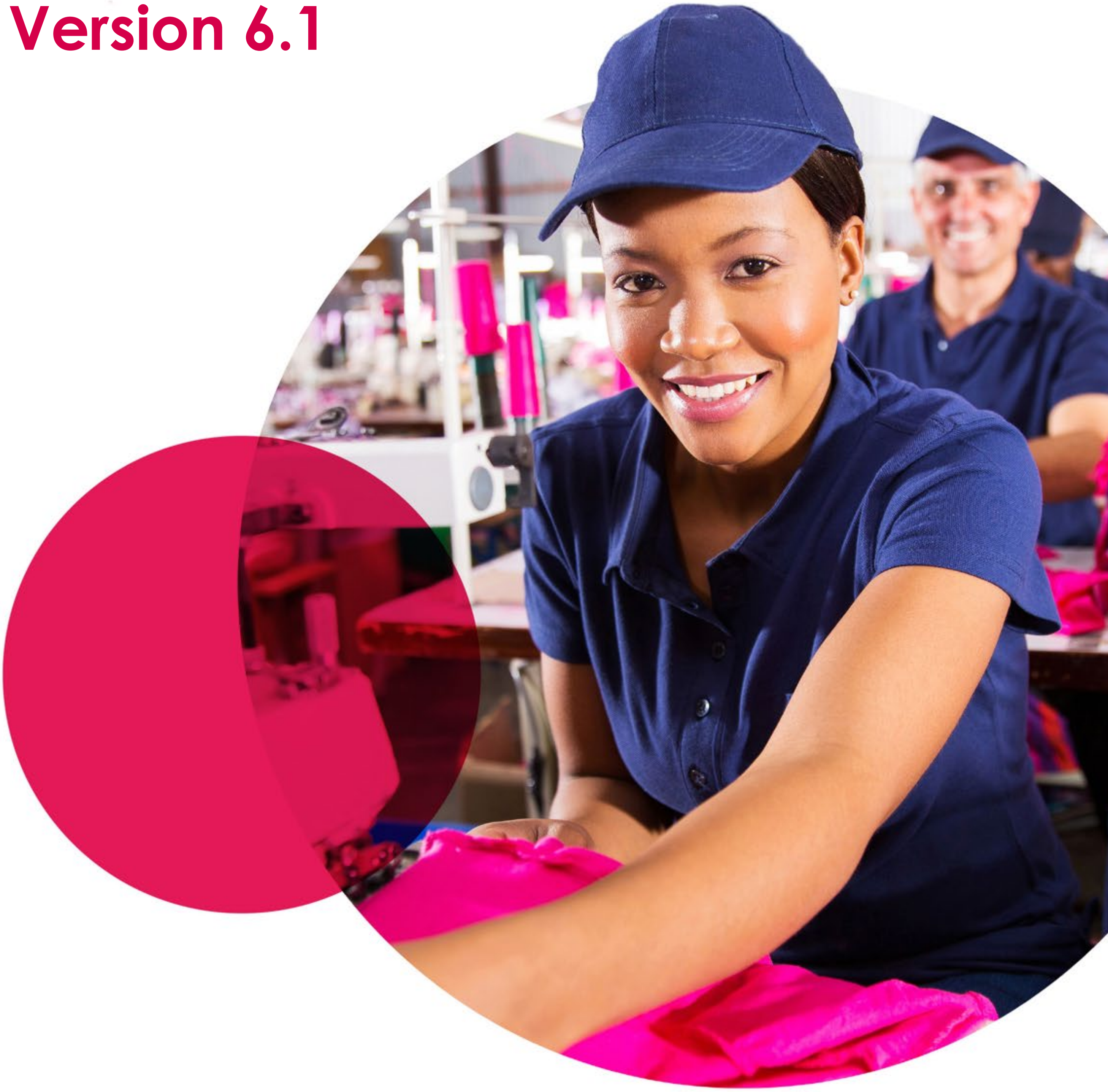
SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC402432349	Sedex Site Reference: *(only available on Sedex System)*	ZS403344607
Business name (Company name):	Shanghai Huayue Packaging Products Co., Ltd.		
Site name:	Shanghai Huayue Packaging Products Co Ltd		
Site address:	No. 228 Zhaixing Road, Xinsi, Zhelin Town, Fengxian District, Shanghai City, China Shanghai 20000 CN	Country:	CN
Site contact and job title:	Mr. Hu Zhongming / Manager		

SMETA Audit Pillars:	☑ Labour Standards	☑ Health and Safety (plus Environment 2-Pillar)	☐ Environment 4-pillar	☐ Business Ethics
Date of Audit:	2023-07-06			

Audit Company Name:
Intertek Shanghai

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	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:	jack zhang	APSCA Number:	21700419
Additional Auditors:			
Date of declaration:	2023-07-07		

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. Hu Zhongming
Title:	Manager
Date of declaration:	2023-07-07
Comments: *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*	
None	

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non–Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	1	GE - ZAF600100668
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600094400 NC - ZAF600094401 NC - ZAF600094402
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600094403
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2–pillar			0	0	1	GE - ZAF600100669
10B4 - Environment 4–pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

§2	In accordance with Article 6.8 of General Rules for Fire Safety Management of Storage Occupancies XF1131-2014: Objects shall be piled up in the storeroom as per the following requirements: 1. The distance between the top of any pile and the roof shall not be smaller than 0.3m (for any “人”-shaped building, the distance shall be counted from the crossbeam); 2. The distance between the objects and the illumination lamps shall not be smaller than 0.5m; 3. The distance between the objects and the wall shall not be smaller than 0.5m; 4. The distance between any pile of objects and the pole shall not be smaller than 0.3m; 5. The distance between any two piles of objects shall not be smaller than 1m.
§3	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
§4	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Site Details

Site Details		
Company Name	Shanghai Huayue Packaging Products Co., Ltd.	
Site Name	Shanghai Huayue Packaging Products Co Ltd	
GPS location (if available)	**GPS Address:**	No. 228, Zhaixing Road, Zhelin Town, Fengxian District, Shanghai City 上海市奉贤区柘林镇宅兴路228号
	Coordinates:	Latitude: 30.8738600000, Longitude: 121.4851000000
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license number was 91310120630933817J and the validity period was from 06 April 1998 to long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Plastic packing bags	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Shanghai Huayue Packaging Products Co., Ltd. was located at No. 228, Zhaixing Road, Zhelin Town, Fengxian District, Shanghai City. The total land area occupied by the facility was about 30,081 square meters. The facility began operation in 1998. A total of 290 employees including 153 female employees and 137 male employees were currently working in the facility. The youngest employee was 20 years old. 81 employees were local residents from Shanghai and 209 employees were migrant residents from other provinces of China including Anhui, Gansu, Guizhou, Henan, Heilongjiang, Hubei, Hunan, Jiangsu, Jiangxi, Qinghai, Shanxi, Shaanxi, Sichuan and Zhejiang. In the facility, all employees normally worked for 5 days a week from Monday to Friday. Security employee worked in three shifts. The first shift was from 7:00-15:00, the second shift was from 15:00-23:00 and the third shift was from 23:00-7:00. Film blowing employees worked in three shifts. The first shift was from 8:00-16:00, the second shift was from 16:00-24:00 and the third shift was from 0:00-8:00. Printing employees worked in two shifts. The first shift was from 8:00-16:00 and the second shift was from 16:00-24:00. The rest employees worked in one shift from 7:30 to 17:00 with 1.5 hours' lunch break from 11:00 to 12:30. Fingerprint system was used for employees' time keeping. The peak season was not obvious in the facility. The pay period of the facility was calendar month. Wages of employees were calculated on hourly rate and the wages of employees were usually paid at the end of each month for the working period by bank autopay. In view of the facility, the facility consisted of four flat buildings, one 2-storey building, one 3-storey building and two 4-storey buildings used as workshop, warehouse, canteen, kitchen and office. No dormitory provided in the facility.	

<table>
<tr><td rowspan="28">Structure and number of buildings</td><td colspan="2">Building Name:</td><td>Building No.1</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Raw material warehouse</td><td>Year of establishment: 2007
Size: 1,176 square meters</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No.2</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Mixing & film blowing workshop</td><td>Year of establishment: 2005
Size: 1,843 square meters</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No. 3</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Bag-making workshop and printing workshop</td><td>Year of establishment: 2005
Size: 1,843 square meters</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No. 4</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Chemical warehouse</td><td>Year of establishment: 2005
Size: 602 square meters</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No. 5</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Finished products warehouse</td><td>Year of establishment: 2005
Size: 2,966 square meters</td></tr>
<tr><td>Floor 2</td><td>Finished products warehouse</td><td>Year of establishment: 2005
Size: 2,966 square meters</td></tr>
<tr><td colspan="2">Building Name:</td><td>Building No. 6</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>Floor 1</td><td>Printing workshop</td><td>Year of establishment: 2007
Size: 1,926 square meters</td></tr>
<tr><td>Floor 2</td><td>Bag-making workshop</td><td>Year of establishment: 2007
Size: 1,926 square meters</td></tr>
<tr><td>Floor 3</td><td>Bag-making workshop</td><td>Year of establishment: 2007
Size: 1,926 square meters</td></tr>
</table>

	Building Name:	Building No. 7	
	Floor	**Description**	**Remark**
	Floor 1	Film blowing workshop	Year of establishment: 2007 Size: 1,418 square meters
	Floor 2	Bag-making workshop	Year of establishment: 2007 Size: 1,418 square meters
	Floor 3	Bag-making workshop	Year of establishment: 2007 Size: 1,418 square meters
	Floor 4	Inspection & packing workshop	Year of establishment: 2007 Size: 1,418 square meters
	Building Name:	Building No. 8	
	Floor	**Description**	**Remark**
	Floor 1	Canteen & kitchen	Year of establishment: 2005 Size: 925 square meters
	Floor 2	Office	Year of establishment: 2005 Size: 925 square meters
	Floor 3	Office	Year of establishment: 2005 Size: 925 square meters
	Floor 4	Meeting room	Year of establishment: 2005 Size: 925 square meters
Visible structural integrity issues (large cracks) observed?	☐ Yes ☑ No Please give details: No visible structural integrity issues were found.		
Does the site have a structural engineer evaluation?	☑ Yes ☐ No Please give details: The facility had building safety certificates issued in June 2005 and October 2007.		

Site function	☐ Agent ☑ Factory Processing/Manufacturer ☑ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack house ☐ Primary Producer ☐ Service Provider ☐ Sub-contractor
Months of peak season	
Process overview	The main products manufactured by the facility were plastic packing bags. The main production processes were listed as follows: Mixing, film blowing, printing, bag-making, inspection and packing. The main machine list of the facility was as following: Including 10 mixing machines, 32 film blowing machines, 22 printing machines and so on.
What form of worker representation is there on site?	☐ Union ☑ Worker Commitee ☐ Other ☐ None
Please give details:	Shanghai Huayue Packaging Products Co., Ltd. Worker Committee
Is there any night production work at the site?	☑ Yes ☐ No
Are there any on site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Are there any off site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Were all site provided accommodation buildings included in this audit	☐ Yes ☑ No Please give details: No dormitory in the facility.

<table>
<tr><th colspan="5">Audit Parameters</th></tr>
<tr><td rowspan="3">Time in and time out</td><td colspan="2">Day 1</td><td colspan="2">Day 2</td></tr>
<tr><td>In</td><td>09:00</td><td>In</td><td>09:00</td></tr>
<tr><td>Out</td><td>17:00</td><td>Out</td><td>17:00</td></tr>
<tr><td>Audit type:</td><td colspan="4">PERIODIC</td></tr>
<tr><td>Was the audit announced?</td><td colspan="4">ANNOUNCED</td></tr>
<tr><td>Was the Sedex SAQ available for review?</td><td colspan="4">Yes</td></tr>
<tr><td>Any conflicting information SAQ/Pre-Audit Info to Audit findings?</td><td colspan="4">No</td></tr>
<tr><td>Who signed and agreed CAPR</td><td colspan="4">Mr. Hu Zhongming / Manager</td></tr>
<tr><td>Is further information available</td><td colspan="4">No</td></tr>
</table>

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
Reason for absence at the opening meeting	No union existed in the facility		
Reason for absence during the audit	No union existed in the facility		
Reason for absence at the closing meeting	No union existed in the facility		

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	30	0	0	102	0	0	0	132
Worker numbers – female	45	0	0	103	0	0	0	148
Total	75	0	0	205	0	0	0	280
Number of Workers interviewed – male	2	0	0	8	0	0	0	10
Number of Workers interviewed – female	1	0	0	15	0	0	0	16
Total – interviewed sample size	3	0	0	23	0	0	0	26

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationaility 1: CHINESE approx %: 100%	
Was this list completed during peak season?	☐ Yes ☑ No Please give details: Not applicable, no peak season existed in the facility.	
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:	Not applicable

Worker Interview Summary	
Were workers aware of the audit?	☑ Yes ☐ No
Were workers aware of the code?	☑ Yes ☐ No
Number of group interviews:	4 group of 5 employees
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.	☑ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☑ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☑ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	No complaint was raised during the interview.
What did the workers like the most about working at this site?	The facility management was kind to them.
Any additional comment(s) regarding interviews:	Most employees enjoyed working at this facility, they felt they had reasonable wage and had a good relationship with management in general.
Attitude of workers to hours worked:	Favourable
Is there any worker survey information available?	☐ Yes ☑ No Please give details:

Attitude of workers:
26 employees were selected for interview including 16 female and 10 male employees. 6 employees were interviewed individually and 20 employees were interviewed as 4 groups of 5. 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:
Interviewing with the worker committee representative suggested that the reps were happy with the working conditions, and he stated that they could give suggestions on all parts of the site's practices.
Attitude of managers:
The management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

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 facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. 2. The facility had a designated person responsible for implementing standards concerning Human rights. 3. The facility had identified their stakeholders and salient issues. 4. The facility measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. 5. Where businesses had an adverse impact on human rights within any of their stakeholders, they addressed these issues and enable effective remediation. 6. The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Evidence examined:
Details: 1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees. 2. Company Manual contains 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. Employees' training records showed the facility conducted training for employees about the social compliance when they enter the facility. 4. The designation paper for person responsible for implementing standards concerning Human Rights in the facility.
Any other comments:
None

Policy statement that expresses commitment to respect human rights?	☑ Yes ☐ No Please give details: It stipulated complying with ETI Code and respect human rights.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: All the policies had been included in workers' manuals.

Does the business have a designated person responsible for implementing standards concerning Human Rights?	☑ Yes ☐ No Please give details: There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. Name: Mr. Hu Zhongming Job title: 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?	☑ Yes ☐ No Please give details: The employees also could express their concern by suggestion box and directly communication with anonymity 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)	☑ Yes ☐ No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☑ Yes ☐ No Please give details: All employees' private information such as personal identity information was managed by HR. Without permission, nobody can review.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 3.0% This year 3.0%
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])	12.0%
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 0.7% This year 1.5%
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)	2.0%
Are accidents recorded?	☑ Yes ☐ No Please give details: Accidents records were provided to review and it showed no accident happened in past 2 years.

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 This year	0.0% 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 This year	0.0% 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 12 month	0.0% 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 12 month	0.0% 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 facility was operating legally and had the correct & valid business license. 2.The appointed senior management responsible for compliance with the Code was Mr. Hu Zhongming / Manager 3.The factory established social accountability policy based upon ETI code. 4.The facility communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually. 5.The ETI based code was posted on-site for employees to review. 6.The facility have a written policy and procedures specific to land rights.
Evidence examined:
Details: 1.Business license; 2.The CSR manual; 3.The appointment paper for the senior management responsible for compliance with the Code. 4.Training records for workers 5.Management interview and worker interview
Any other comments:
None

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☑ No Please give details: No fine or prosecution for non-compliance to any regulation was found in the last 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The facility had set up the policy about be against forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through employee interview and reviewing the ID copies the facility kept, the youngest employee in the facility was 20 years old, no child labour in the facility. Policies existed for these areas (Forced labour, Child labour, Discrimination, Health and Safety, Living Wage, Working Hours, No harsh treatment & abuse, Environment and Business Ethics); these were communicated to workers via annual training. Through documents review and workers interview, policy on No harsh treatment and Environment was in compliance with the code. Workers stated no forced labour, no child labour was found (through interview and document checks), 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?	☑ Yes ☐ No Please give details: The facility conducted training in the standards for forced labour, child labour, discrimination, harassment & abuse for all managers and workers once a year.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☑ Yes ☐ No Please give details: Training about no forced labour, non-child labour, none discrimination and non-harassment & abuse was provided by the facility when new employees come in. Managers were also required to follow the relevant policies.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☑ Yes ☐ No Please give details: The facility had obtained the ISO 9001:2015 certificate (issued by Zhongsheng Certificate with certificate number: ZSRZ200443Q2R0M) valid until 15 April 2024. The facility had obtained the ISO 14001:2015 certificate (issued by Zhongsheng Certificate with certificate number: ZSRZ200444E2R0M) valid until 15 April 2024.
Is there a Human Resources manager/department?	☑ Yes ☐ No The facility had Human Resources department which in charge of the recruitment of workers, assignment of employees' post, etc. and the manager Ms. Mao Danmiao /Manager was available in the facility.
Is there a senior person /manager responsible for implementation of the code?	☑ Yes ☐ No Please give details: Mr. Hu Zhongming / Manager
Is there a policy to ensure all worker information is confidential?	☑ Yes ☐ No Please give details: The facility established and implemented the policy and procedure for safeguarding workers' confidential and private data and information.

Is there an effective procedure to ensure confidential information is kept confidential?	☑ Yes ☐ No Please give details: All employees' private information such as personal identity information was managed by HR. Without permission, nobody can review.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	☑ Yes ☐ No Please give details: During document review and management interview, auditor noted that the facility conducted risk assessment once per year through internal audit and provided the reports to review. The recent once was conducted on 15 June 2023.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The facility has a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	☑ Yes ☐ No Please give details: The facility had its supplier selecting policy and procedure to ensure all suppliers are in compliance with the labour standards and this code.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☑ Yes ☐ No Please give details: The site had all required land rights, licences and permission.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☑ Yes ☐ No Please give details: During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights.
Does the site have a written policy and procedures specific to land rights?	☑ Yes ☐ No Please give details: The site had a written policy and procedures specific to land rights.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☑ Yes ☐ No Please give details: The audited facility had provided the valid land using permit and the property ownership certificate of the facility buildings for reviewing.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☑ Yes ☐ No Please give details: Not applicable, the facility did not have plan of land acquisition.

Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☑ No Please give details: No illegal appropriation of land for facility building or expansion of footprint.

Good Example	Evidence
[Back to findings summary]	 ISO 9001.JPG

Good Example	
Status	OPEN
Reference	ZAF600100668
Clause	0B - Management Systems and code Implementation
Issue Title	25 - Certifications in place with sub-suppliers / labour brokers e.g. ISO 9000, FSC, SA 8000, ISO 14001, etc.
Subcategory	Site's Management systems & Monitoring
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	The facility had obtained the ISO 9001:2015 certificate (issued by Zhongsheng Certificate with certificate number: ZSRZ200443Q2R0M) valid until 15 April 2024. 企业获得了ISO 9001:2015证书（认证机构为中盛认证，证号编号：ZSRZ200443Q2R0M），有效期为2024年4月15号。
Evidence	Document review

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 facility had a policy which prohibited forced labor and this was available for review. 2. There was a normal application procedure which stated that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers. 3. The employee handbook – given to all workers on joining, stated that workers within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation) they could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work. 4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours. 5. The facility did not require any payment for work tools, PPE, IC/staff card, training, etc. 6. The facility did not use prison labor. 7. The above was confirmed in management and employee interview.
Evidence examined:
Details: 1. Personnel files (all were checked) 2. Resignation records of recent 12 months 3. Factory rules 4. Employee handbook 5. Management and employee interview
Any other comments:
None

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☑ No Please give details: There was no any restriction on workers' freedom to terminate employment. Workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work.

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?	☐ Yes ☐ No ☑ Not Applicable Please give details: N/A, the audited facility was not UK based or registered and turnover was less than 36M+, so modern day slavery statement was not required for the audited facility.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☑ No Please give details: Remark: There was no any restriction on workers' freedoms to leave the site at the end of the work day. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☐ Yes ☐ No ☑ Not Applicable Please give details: According to the document review and management interviews, there was no risk of forced / trafficked / bonded labour in its supply chain.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☑ Yes ☐ No Please give details: Remark: According to the document review and management interviews, the site had relevant procedural documents and policy to reduce the risk of forced / trafficked labour.

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.During document review and manager interview, auditor noted that there was one worker committee in the facility. 2.From employee interview and management interview, employees had right to join or form any trade union. 3.The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organisation and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organisation, etc. 4.The response records for workers' suggestions and appeals were available for review
Evidence examined:
Details: 1.Site policy on freedom of association 2.Suggestion box complain feedback 3.Employee interview and management interview 4.Employee handbook and employment contracts were reviewed. They both stated that employees were free to form trade unions. Nobody would be treated differently whether they were members of the union.
Any other comments:
None

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☐ Union ☑ Worker Commitee ☐ Other ☐ None
Other details:	Shanghai Huayue Packaging Products Co., Ltd. Worker Committee
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: Through telephone, suggestion box, HS committee and their team leaders.
Is there evidence of free elections?	☑ Yes ☐ No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☑ Yes ☐ No Please give details: There was a room available for the committee to meet and the members were allowed 2 hours per month for a meeting.
Name of union and union representative, if applicable:	NA, No union in the facility.
Is there evidence of free elections?	☐ Yes ☐ No ☑ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	The facility had a worker committee with 5 worker representatives.
Is there evidence of free elections?	☑ Yes ☐ No ☐ Not Applicable
Are all workers aware of who their representatives are?	☑ Yes ☐ No Please give details: Mr. Jiang
Were worker representatives freely elected?	☑ Yes ☐ No
Date of last election:	2023-05-15
Do workers know what topics can be raised with their representatives?	☑ Yes ☐ No
Were worker representatives/union representatives interviewed?	☑ Yes ☐ 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.	Through interviewing the worker committee's reps, they had a latest meeting with management on 22 May 2023. The meeting lasting 1.5 hours, discussion about worker representatives selection and etc.
Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☑ No

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

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

1.General Health and Safety management 1) Mr. Lin Yueming / Safety supervisor was appointed as Health & Safety Manager for the site. 2) Sufficient clean toilets segregated by gender were available at all times to employees 3) Ventilation, temperature and lighting were adequate for the production processes. 4) Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S manager and each point was acted on. 5) The certificate for the principle in charge of work safety and the certificate for management of work safety were both obtained. 2. Fire Safety 1) There were at least 2 exits from each work area and all exits were clearly marked. 2) Proper exit signs were installed over safety exits around the whole facility. 3) Fire fighting equipment was well maintained. 4) Emergency lights were installed in enclosed staircases of the whole facility. 5) Fire drills for day shift and night shift were organised and recorded every 6 months. 6) Trainings had been given by the local fire department and fire marshals had been specially selected for extra training. 3. Electrical safety 1) Electrical equipment was well maintained. 2) The license for operators engaged in electric tasks was in valid date. 4. Chemical safety 1) Most chemicals such as machine oil, printing ink and thinner were well stored and maintained. However, there was no secondary containment for partial containers in the printing workshop in one flat building. 2) MSDS were available for all hazardous chemicals. 3) Employees contacting with chemicals confirmed that they had been trained on correct handling procedures as well as what to do in an emergency. 5. Construction safety 1) Effective documents of construction safety certificate and fire certificate of all buildings had been obtained by the facility. 6. Food safety 1) The facility had obtained Food Operation Permit for its kitchen and all kitchen staff had obtained valid health certificate. 7. Medical services 1) There were adequate first aid kits in each production area and they were well stocked. 2) There were 9 first aiders in the facility. 8. Occupational safety 1) Employees' occupational health examination reports were provided to review. 2) The facility had conducted evaluation on occupational hazard factors. 9. Machine safety 1) The facility had provided valid registration and regular inspection reports for all special machines, such as cargo lifts, forklifts and air containers.
Evidence examined:
Details: 1. Accident reports were reviewed and they showed no related accident was happened in the latest one year. 2. New employee's job training record was reviewed. The trainings were provided by team leaders. 3. Factory tour 4. Management interview 5. Employee interview 6. Health and safety policy 7. Fire drill records conducted on 2 June 2023 and 13 December 2022. 8. First aider certificates issued on 20 June 2023. 9. Work injury records
Any other comments:
None

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 facility had set up such policies and procedures.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: The EHS policy was mentioned in worker's manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☑ No Please give details: No such building in the facility.
Are visitors to the site informed on H&S and provided with personal protective equipment?	☑ Yes ☐ No Please give details: All visitors were provided with personal protective equipment when they were on the site with Occupational hazards area.
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))	☐ Yes ☑ No Please give details: No medical room or medical facility provided for workers, and it was not required legally for the facility.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☑ Yes ☐ No Please give details: There was no doctor or nurse in the facility. Doctor or nurse was also not required legally for the facility. There were 9 first aiders who had been trained at a local hospital and there were first aid kits with adequate first aid supplies on all facility floors, so the workers were easy access to first aid and first aiders.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☑ No Please give details: Not applicable, no transport was provided by facility.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☑ No Please give details: Not applicable, no dormitory was provided for employees.
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?	☑ Yes ☐ No Please give details: Twice per year, recent internal H&S risk assessment conducted in June 2023.

Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☑ Yes ☐ No Please give details: During document review and facility tour, the facility had obtained the environment impact assessment report, environmental impact approval and environmental protection acceptance checks report for completed construction project for review.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☑ Yes ☐ No Please give details: The site had a copy of the banned substances list from its customer and was meeting those requirements.

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600094400
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)
Subcategory	Chemicals
New or carried over?	☐ New ☑ Carried Over
Raised by audit	ZAA420056242
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Safety facilities for hazardous chemicals were not compliant with legal requirement. During facility tour, auditor found that hazardous chemicals such as printing ink were used in the printing workshop in one flat building, but there was no secondary containment for partial paint containers. Local law and/or ETI requirement: Local law: In accordance with

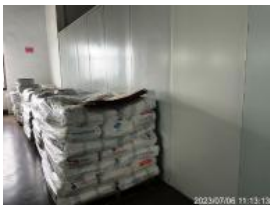
No secondary containment for partial paint containers.JPG

	Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments. ETI: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It is recommended that the facility should set up the corresponding safety facilities and equipments in workshop or warehouse for hazardous chemicals as per legal requirement.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility should set up the corresponding safety facilities and equipment in workshop or warehouse for hazardous chemicals as per legal requirement. Strengthen the management and provided training.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600094401
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)
Subcategory	Hygiene Facilities & Housekeeping
New or carried over?	☐ New ☑ Carried Over
Raised by audit	ZAA420056242
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	In accordance with Article 6.8 of General Rules for Fire Safety Management of Storage Occupancies XF1131-2014: Objects shall be piled up in the storeroom as per the following requirements: 1. The distance between the top of any pile and the roof shall not be smaller than 0.3m (for any “人”-shaped building, the distance shall be counted from the crossbeam); 2. The distance between the objects and the illumination lamps shall not be smaller than 0.5m; 3. The distance between the objects and the wall shall not be smaller than 0.5m; 4. The distance between any pile of objects and the pole shall not be smaller than 0.3m; 5. The distance between any two piles of objects shall not be smaller than 1m.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Goods were stacked against the wall. Through facility tour, auditor noted that the goods in packaging material warehouse were stacked against the wall. Local law and/or ETI requirement: Local law: In accordance with Article 6.8 of General Rules for Fire Safety Management of Storage Occupancies GA1131-2014: Objects shall be piled up in the storeroom as per the following requirements: 1. The distance between the top of any pile and the roof shall not be smaller than 0.3m (for any “人”-shaped building, the distance shall be counted from the crossbeam); 2. The distance between the objects and the illumination lamps shall not be smaller than 0.5m; 3. The distance between the objects and the wall



Goods were stacked against the wall.JPG

	shall not be smaller than 0.5m; 4. The distance between any pile of objects and the pole shall not be smaller than 0.3m; 5. The distance between any two piles of objects shall not be smaller than 1m. ETI: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It is recommended that the facility should stack goods properly.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility should stack goods properly. Strengthen the management and provided training.

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance		
Status	CLOSED	
Reference	ZAF600094402	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	230 - No material safety data sheet (MSDS) obtained / available	
Subcategory	Chemicals	
New or carried over?	☐ New	☑ Carried Over
Raised by audit	ZAA420056242	
Resolved by audit	ZAA600015530	
Root cause	☑ Training ☐ Costs ☐ Other	☐ System ☐ Lack of workers
Root cause - Other		
Local law issue	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	MSDS were not available for partial hazardous chemicals. During facility tour, auditor found that hazardous chemicals such as printing ink, isopropyl alcohol and etc. were stored in the hazardous chemical storage area of the printing workshop located on 1F of one 3-storey building. However, no MSDS (Material Safety Data Sheet) was provided for isopropyl alcohol in this area. Local law and/or ETI requirement Local law: In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker. ETI: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent	

	accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It is recommended that the facility should provide accurate MSDS as soon as possible.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility should provide accurate MSDS as soon as possible. Strengthen the management and provided training.
Additional comments	Training on the Safe Use of Chemicals in Workplace (1) The facility would provide accurate MSDS as soon as possible. (2) Strengthen the learning of Regulations on the Safe Use of Chemicals in Workplace, Article 12. (3) Perform regular inspection to check availability of MSDS. During facility tour, auditor noted that MSDS for isopropyl alcohol had been posted onsite.

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. The facility established a policy that would never employ and use any child labour under the age of 16 years old. No current child labour was detected in this audit. 2. The facility would verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. 3. Sufficient numbers of employees' personal files were provided for review. Each employee file included a bio-data sheet, a recent photo and the age documentation, which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth. Through document review, facility tour and employee interview, the youngest employee were 20 years old.
Evidence examined:
Details: 1. Policy review: Not used child labour policy 2. Document review: Child labour remediation program, ID copies and personnel files included a bio-data sheet, a recent photo and the age documentation 3. Management interview 4. Worker interview
Any other comments:
None

Legal age of employment:	16
Age of youngest worker found:	20
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☑ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☑ No Please give details: No worker under 18 years worked in the facility.

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.Through document review and employee interview, the numbers of workers on payroll records were consistent with the number of workers in the employee register. 2.The local minimum wage was set at RMB 2590 per month equivalent to RMB 14.89 (2590/21.75/8) per hour since 1 July 2021. 3.Based on the provided records and employee interview, the wages of employees were usually paid at the end of each month for the working period by bank autopay. Wages for employees was calculated on hourly rate. Each worker was given a pay slip. 4.Based on provided records, 150%, 200% of normal rate were paid by facility for employees' overtime working on normal working days and rest days respectively. No overtime work was arranged on official public holidays. 5.Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate employees. 6.The facility had maintained payrolls records for the last 10 months from August 2022 to May 2023 (Last audit was conducted on 4-6 July 2022). 7.Through document review and facility tour, no inconsistency was found between production records and provided attendance records. 8.The facility had purchased 5 types of social insurance for all employees. 9.The facility provided free meals to employees.
Evidence examined:
Details: 1.10 months' (from August 2022 to May 2023) payroll records and 11 months and 5 days' (1 August 2022 to 5 July 2023) attendance records were provided for review in this audit. 2.Receipts of social insurance were reviewed. 3.Pay slips of all employees interviewed. 4.Production records: material in records, inspection records. 5.Employee interviews. 6.Labor contracts for all employees.
Any other comments:
None

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: 168.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 48.0	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: null Per Week: null Per Month: 2590.0	Actual Per Day: 156.32 Per Week: 781.6 Per Month: 3400.0	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?	☑ Yes ☐ No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples for May 2023 (current month) 26 samples for February 2023 (random month) 26 samples for October 2022 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☑ No		
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☑ 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?	☐ Below legal min ☐ Meet ☑ Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	At least RMB 3400 per month equivalent to RMB 19.54 per hour		
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:Subsidy for employees ranged from RMB 0 to 150 per month Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Personal part of social insurance fee, accumulation fund and personal income tax fee		
Have these deductions been made?	☑ Yes ☐ No		
Please list all deductions that have been made.	1. Personal part of social insurance fee 2. Accumulation fund 3. Personal income tax fee		
Please list all deductions that have not been made.	Not applicable		
Were appropriate records available to verify hours of work and wages?	☑ Yes ☐ No		

Were any inconsistencies found? (if yes describe nature)	☐ Yes ☑ 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)	☑ Yes ☐ No Please give details: All working hours were recorded and paid.
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.	☐ Yes ☑ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ 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).	☑ Yes ☐ No Please give details: The facility conducted twice internal audit per year to check the compliance of wages.
Are workers paid in a timely manner in line with local law?	☑ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☑ Yes ☐ No Please give details: Through factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates are being paid for equal work.
How are workers paid:	☐ Cash ☐ Cheque ☑ Bank Transfer ☐ Other

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)All the workers in employee interview stated that they worked overtime on voluntary basis. 2)According employee interview and provided attendance records, basic working hours were 8 hours per day and 40 hours per week. 3)Fingerprint system was used for employees' time keeping. 4)In this audit, auditor had randomly selected production record, such as: Material in/out records, daily production reports, and crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted either. 5)Overtime hours exceeded the legal requirement. Through document review, it was noted that: (1) the monthly overtime hours of 17 out of 26 randomly selected employees were 40 hours in May 2023 (current month); (2) the monthly overtime hours of 17 out of 26 randomly selected employees were 38-48 hours in February 2023 (random month); (3) the monthly overtime hours of 14 out of 26 randomly selected employees were 44 hours in October 2022 (random month). Remark: In finding description, the monthly overtime hours of 17 out of 26 randomly selected employees in February 2023 were wrote as 30-48 hours by mistake, and it could not be revised due to system issue, the correct one was 38-48. 6)Based on the provided attendance records, the status of overtime hours in sample was as below. 0-2 hours/ day in May 2023 (current month) 0-2 hours/ day in February 2023 (random month) 0-2 hours/ day in October 2022 (random month) 0-12 hours/ week in May 2023 (current month) 0-14 hours/ week in February 2023 (random month) 0-12 hours/ week in October 2022 (random month) 0-40 hours/ month in May 2023 (current month) 0-48 hours/ month in February 2023 (random month) 0-44 hours/ month in October 2022 (random month)
Evidence examined:
Details: 1)Employee interview 2)Management interview 3)Local and national laws 4)Facility policy on working hours 5)Attendance records 6)Employees contracts

Any other comments:
None

Working hours' analysis			
Systems & Processes			
What timekeeping systems are used?	Fingerprint system was used for employees' time keeping.		
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.)	☑ Yes ☐ No		
Are there any other types of contracts/employment agreements used?	☐ Yes ☑ 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.)	☐ Yes ☑ No		
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☑ 1 in 7 days	☐ 2 in 14 days	☐ No (please explain)
Is this allowed by local law?	☑ Yes ☐ 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)	☐ Yes ☑ 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.)	☐ Yes ☑ No		
Overtime Hours worked			
Actual overtime hours worked in sample (State per day/week/month)	0-2 hours/ day in May 2023 (current month) 0-2 hours/ day in February 2023 (random month) 0-2 hours/ day in October 2022 (random month) 0-12 hours/ week in May 2023 (current month) 0-14 hours/ week in February 2023 (random month) 0-12 hours/ week in October 2022 (random month) 0-40 hours/ month in May 2023 (current month) 0-48 hours/ month in February 2023 (random month) 0-44 hours/ month in October 2022 (random month)		

Combined hours (standard or contracted + overtime hours = total) over 60 found?	☐ Yes ☑ No Please give details: The maximum combined hours were 54 hours.
Approximate percentage of total workers on highest overtime hours:	21.8%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☑ Yes ☐ No ☐ Conflicting Information Please give details: All the workers in employee interview stated that they worked overtime on voluntary basis.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	☑ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium Please give details: Employees were paid at least150% and 200% of normal rate on normal workdays and rest days respectively and no overtime on official public holidays observed.
Is overtime paid at a premium?	☑ Yes ☐ No 100% workers 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.	☐ No ☐ Consolidated pay ☐ Collective Bargaining agreements ☑ Other
Please give details	N/A, the overtime premium was paid according to law requirement.
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)	☐ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week is voluntary ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☑ Other reasons (please specify)
Please give details	Not applicable, the maximum weekly hours were 54 hours.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Not applicable
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☑ Yes ☐ No Overtime hours were being used for extended periods to make up for labour shortages and the facility would recruit and employ more employees.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	☐ Yes ☑ No

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance	
Status	OPEN
Reference	ZAF600094403
Clause	6 - Working Hours are not Excessive
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive
Subcategory	Overtime
New or carried over?	☐ New ☑ Carried Over
Raised by audit	ZAA420056242
Root cause	☐ Training ☐ System ☐ Costs ☑ Lack of workers ☐ Other
Root cause - Other	
Local law issue	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards.
Explanation to the non compliance	Overtime hours exceeded the legal requirement. Through document review, it was noted that: (1) the monthly overtime hours of 18 out of 26 randomly selected employees were 40-54 hours in March 2022 (current month); (2) the monthly overtime hours of 21 out of 26 randomly selected employees were 38 hours in October 2021 (random month); (3) the monthly overtime hours of 25 out of 26 randomly selected employees were 40-44 hours in July 2021 (random month). Local law and/or ETI requirement: Local law: In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of

	labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours. ETI: 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards. Recommended corrective action: It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.	
Follow up method	☑ Follow up audit ☐ Desktop audit	
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other	
Actions	The facility should reduce the overtime hours to ensure it is within 36 hours per month. Establish a procedure to control the issues.	

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. Equal pay for equal job in the facility. 3. No employee was required to do the examination of the hepatitis B virus and HIV. 4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit. 5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
Evidence examined:
Details: 1. Employment contracts were provided for review and they showed that male and female employees are on the same pay grade. 2. Facility tour 3. Management interview and employee interview
Any other comments:
None

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)	4 female employees working as QC engineers
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?	☐ Hiring ☐ Compensation ☐ Access to training ☐ Promotion ☐ Termination or retirement ☑ No evidence of discrimination found
Please give details	N/A, no discrimination observed
Professional Development	
What type of training and development are available for workers?	Human rights training, such as safety, occupational health etc.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☑ Yes ☐ 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 employees were recruited by the facility directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditor. 2.No subcontractors were used. 3.The employees received pay slip in their own language. 4.The facility signed labour contracts with the employees within one month, and all interviewed employees stated that they kept a copy of labour contracts by themselves.
Evidence examined:
Details: 1. Personnel files were checked. 2. Management interview and employee interview 3. The Recruitment and termination practices
Any other comments:
None

Responsible Recruitment	
All Workers	
Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	☑ Terms & Conditions presented ☑ Understood by workers ☑ Same as actual conditions
Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☑ No
Migrant Workers	

Type of work undertaken by migrant workers:	Migrant employees worked in all production processes and non-production post.
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?	☐ Yes ☑ No Please give details: NA. No such deductions
Is there any observation on this finding?	None
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☑ Yes ☐ No There were 2 migrant employees who were working in skilled and management roles such as production department supervisor.
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☑ 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	Not applicable. Site did not use agencies.
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☑ No
Were sufficient documents for agency workers available for review?	☐ Yes ☑ No
Is there a legal contract agreement with all agencies?	☐ Yes ☑ No Please give details: Not applicable. Site did not use agencies.
Does the site have a system for checking labour standards of agencies?	☐ Yes ☑ No Please give details: Not applicable. Site did not use agencies.
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?	☐ Yes ☑ No Please give details: Not applicable, No contractor on site.
Do all contractor workers understand their terms of employment?	☐ Yes ☑ No Please give details: Not applicable, No contractor on site.

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. There was no subcontractors or homeworking used by the facility. 3. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
Evidence examined:
Details: 1. Site tour (Calculation on total production and estimated capacity) 2. Reviewing of the production records such as materials receiving and issuing records 3. Management interview 4. Worker interview
Any other comments:
None

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

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 employees' interview, there was a policy on Harsh Treatment. 3. There was an internal process for grievance, which was an anonymous email address, where employees could report an grievances (harassment, bullying, discrimination etc.), any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system.
Evidence examined:
Details: 1. Facility's inhumane treatment policy was reviewed. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation should be prohibited. 2. Management interview and employee interview.
Any other comments:
None

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: Through hotline and suggestion box
If yes, are workers aware of these channels and have access? Please give details.	Yes, though the employee interview, all employees said they could use hotline and suggestion box to report violations of Labour standards and H&S
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism,comment box etc. Please give details.	Through hotline and suggestion box
Which of the following groups is there a grievance mechanism in place for?	☑ Worker ☐ Communities ☐ Suppliers ☐ Other
Please provide grievance mechanism details	Though the employee interview, all employees said they could use hotline and suggestion box to report violations of Labour standards and H&S.
Are there any open disputes?	☐ Yes ☑ No Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	☑ Yes ☐ No Please give details:
Is there a published and transparent disciplinary procedure?	☑ Yes ☐ No Please give details:
If yes, are workers aware of these the disciplinary procedure?	☑ Yes ☐ No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☑ 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. All employees had the proper legal rights to work in the facility. All employees got equal pay and no discrimination in the facility. 2. The youngest age was 20 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
Evidence examined:
Details: 1. Employment contracts were reviewed and they contained the clause that only employees with a legal right to work would be employed by the facility. 2. Worker interview 3. Management interview 4. Facility tour
Any other comments:
None

10B2 - Environment 2–Pillar [Summary of Findings]
10B2: Compliance Requirements 10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. Domestic wastewater and waste gas were discharged by the production process and valid monitoring reports had been provided for review. 2. The facility established the environmental protection policy. 3. The facility had obtained the Environment Impact Assessment (EIA) Report, EIA approval and Environment Project Completion Approval. 4. The facility conducted the training for all employees on the avoidance of environmental impact. 5. Mr. Hu Zhongming / Manager was appointed responsible for environmental issues. 6. The facility had not been fined for environment violation during last 3 years.
Evidence examined:
Details: 1. Environmental training records and EIA document 2. Employee and management interview. 3. Facility tour
Any other comments:
None

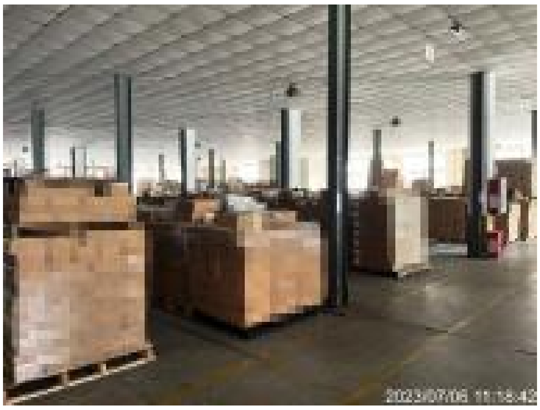
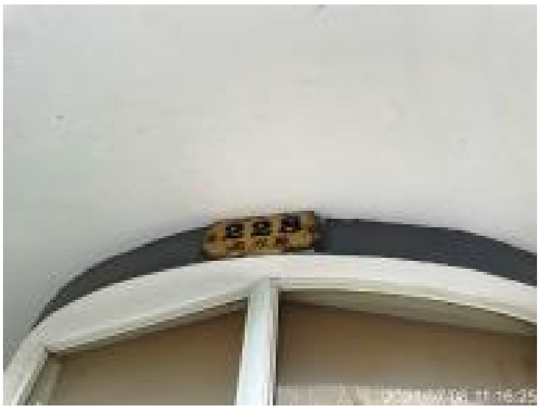
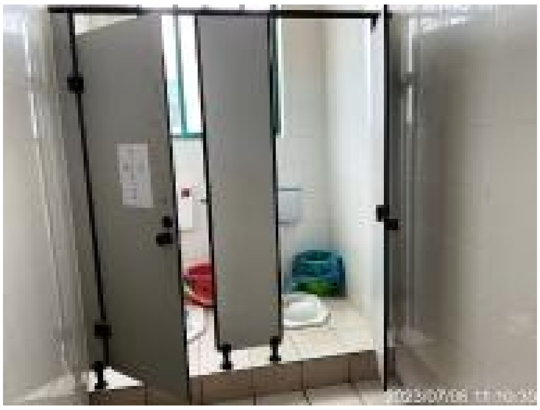
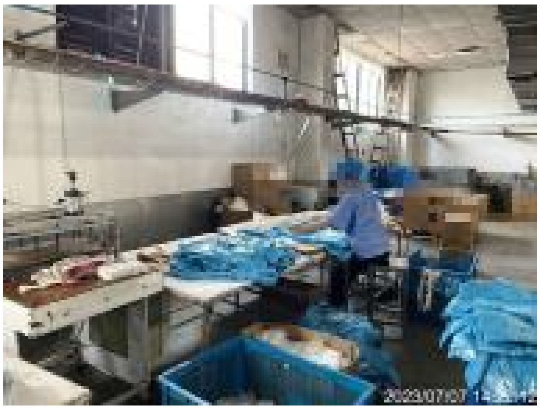
Good Example	Evidence
[Back to findings summary]	

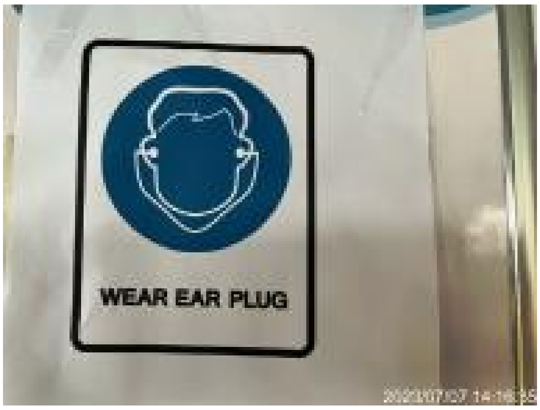
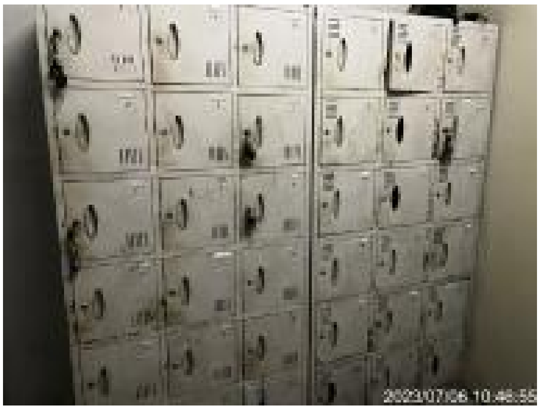
Good Example	
Status	OPEN
Reference	ZAF600100669
Clause	10B2 - Environment 2–Pillar
Issue Title	615 - The site has an internationally recognised environmental certificate e.g. ISO 14000
Subcategory	General Environmental Permits, & Management systems
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	The facility had obtained the ISO 14001:2015 certificate (issued by Zhongsheng Certificate with certificate number: ZSRZ200444E2R0M) valid until 15 April 2024. 企业获得了ISO 14001:2015证书（认证机构为中盛认证，证号编号：ZSRZ200444E2R0M），有效期为2024年4月15号。
Evidence	Document review

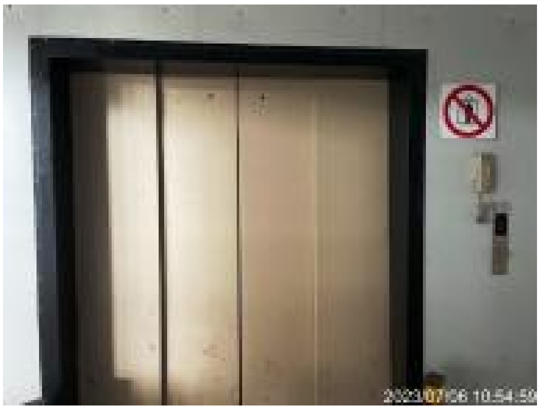
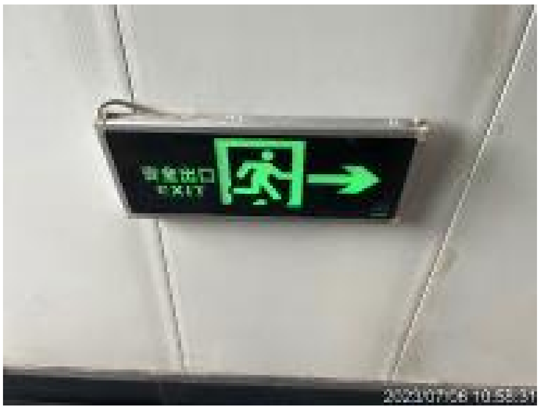
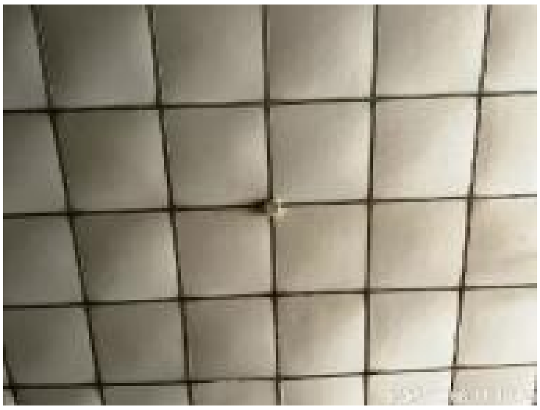
Evidence:

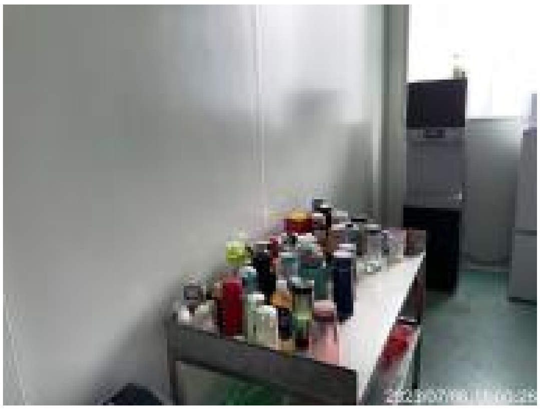
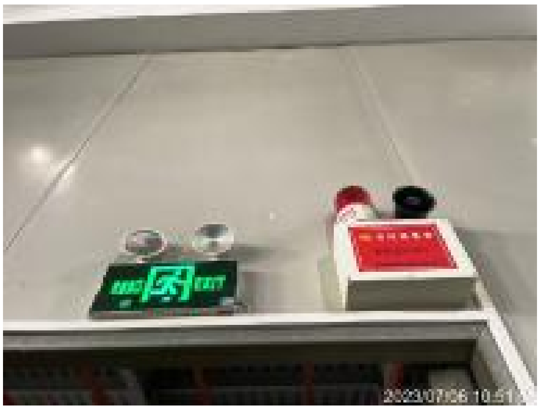
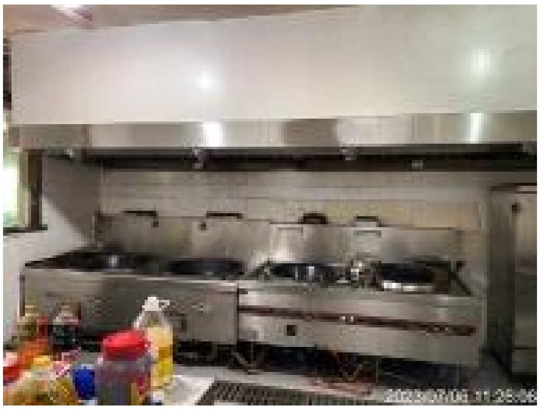
ISO 14001.JPG

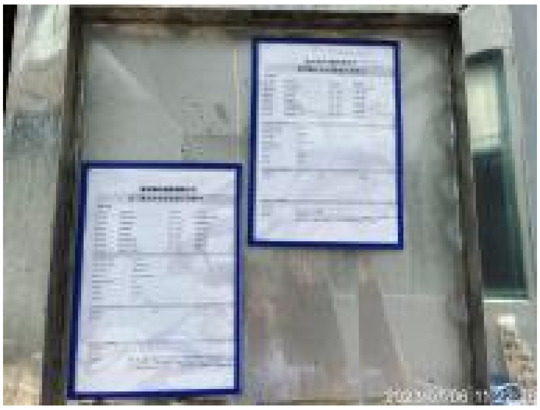
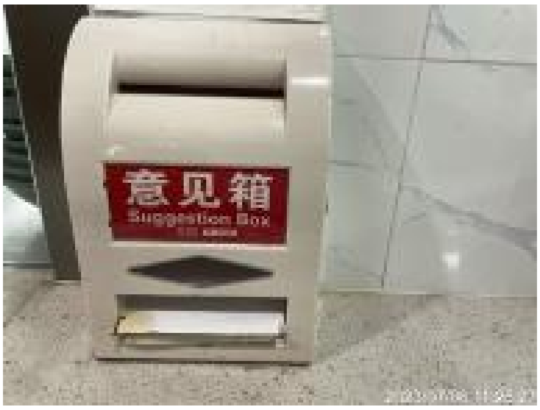
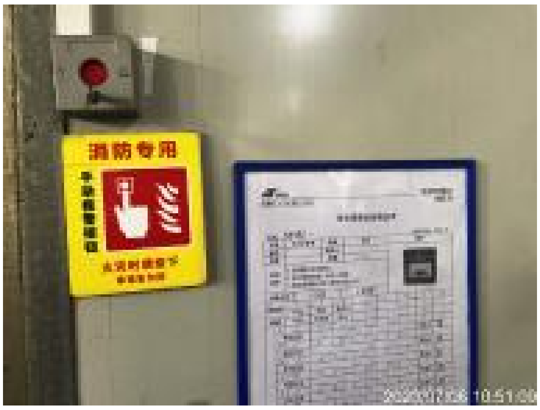
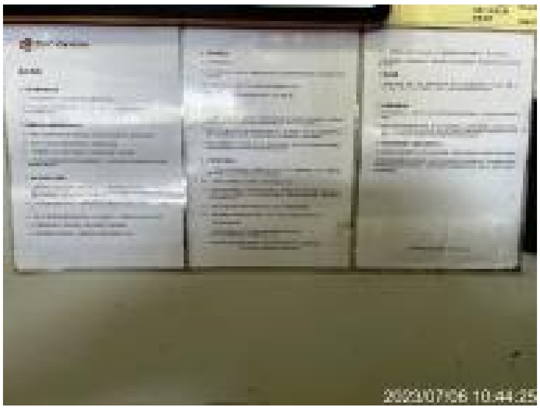
Attachments

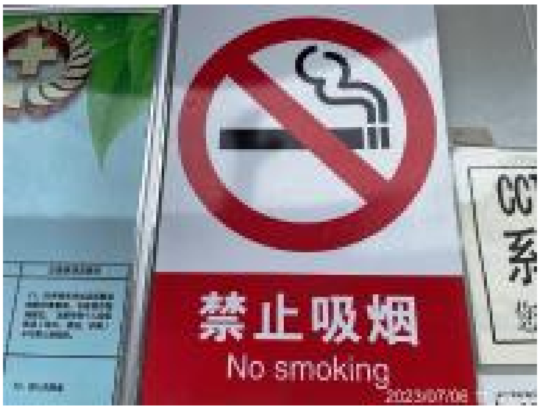
 Finished products warehouse.JPG	 Facility address.JPG
 Toilet.JPG	 Printing workshop.JPG
 Inspection workshop.JPG	 Raw material warehouse.JPG

 Packing workshop.JPG	 PPE warning sign.JPG
 Facility gate.JPG	 Canteen.JPG
 Air container.JPG	 Personal locker.JPG

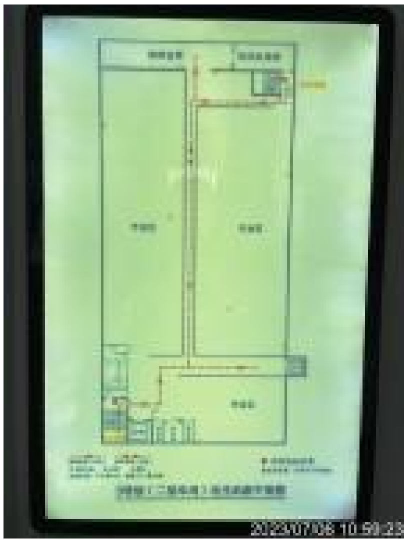
 Cargo lift.JPG	 Eye washing device.JPG
 Evacuation indication sign.JPG	 Building overview.JPG
 Bag-making workshop.JPG	 Smoke detector.JPG

 Drinking water.JPG	 Exit sign, emergency light and fire alarm.JPG
 Aisle.JPG	 Kitchen.JPG
 PPE wearing.JPG	 Attendance machine.JPG

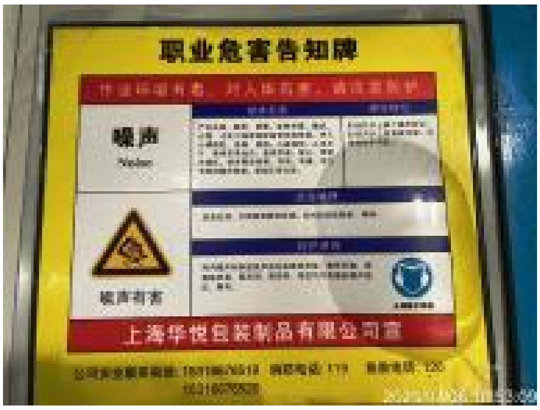
 MSDS for isopropyl alcohol had been posted onsite.JPG	 Suggestion box.JPG
 Film blowing.JPG	 Fire alarm button.JPG
 ETI code posted onsite.JPG	 Mixing workshop.JPG



No smoking sign.JPG

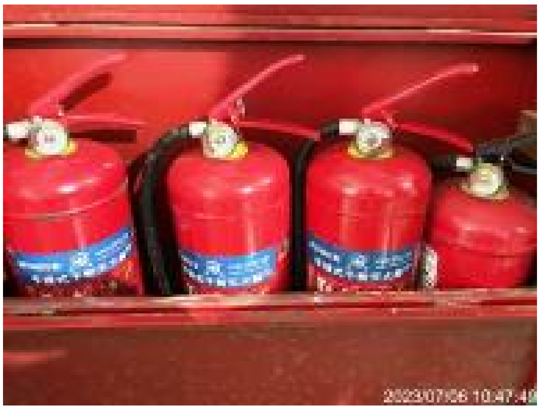


Evacuation plan.JPG

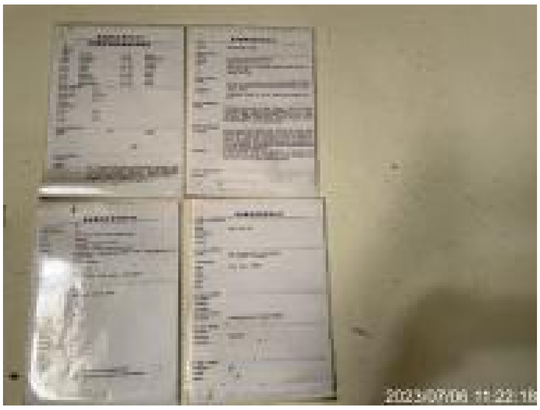


Hazardous factor notification card.JPG

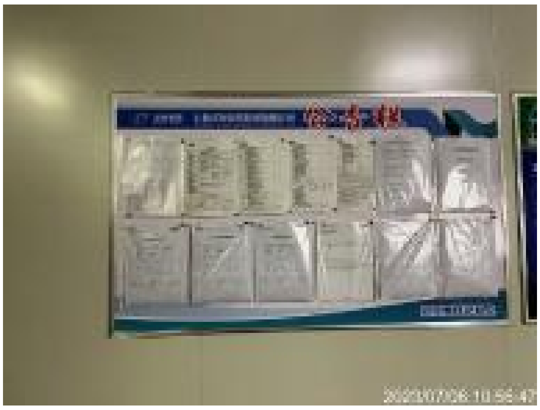
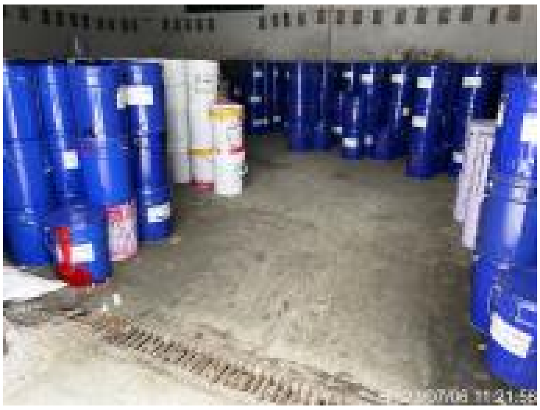
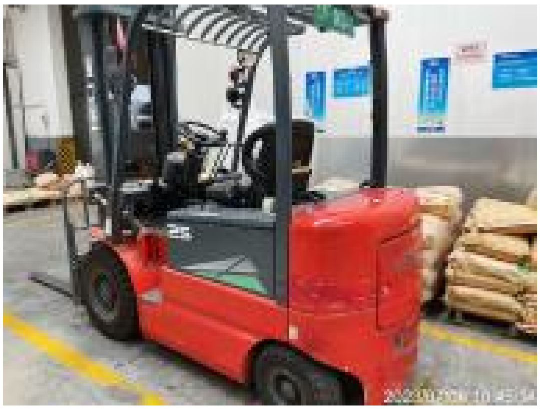
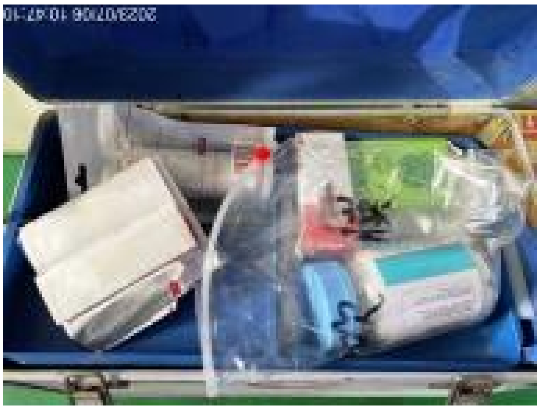
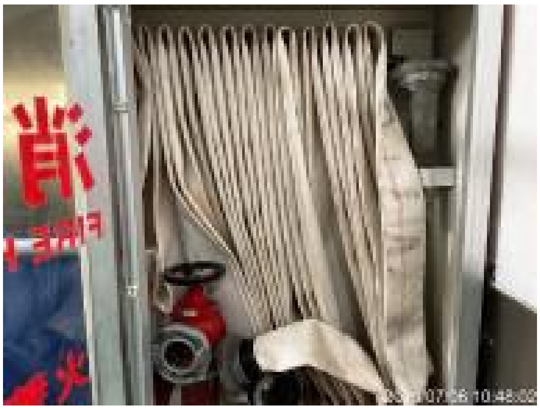
Distribution box with warning sign.JPG

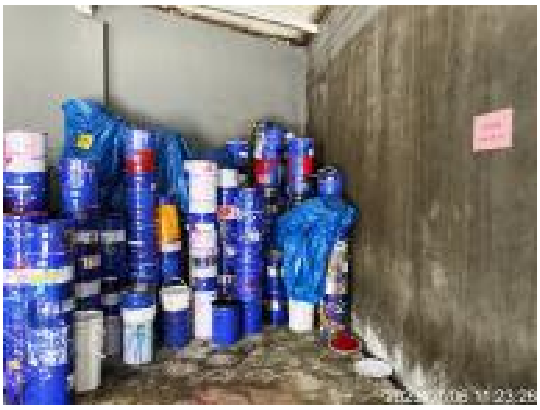
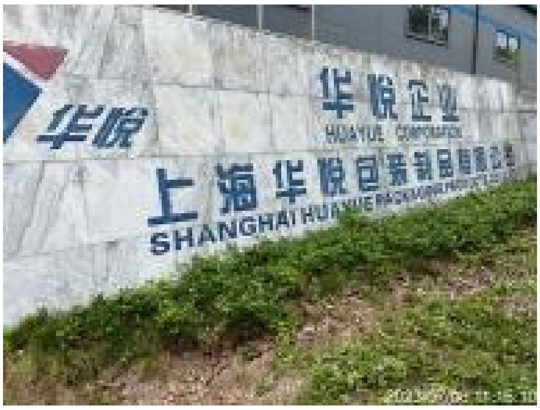


Fire extinguishers.JPG



MSDS.JPG

 Notice board.JPG	 Semi-finished products warehouse.JPG
 Chemical warehouse.JPG	 Forklift.JPG
 First aid kit.JPG	 Fire hydrant.JPG

 Hazardous waste warehouse.JPG	 Emergency assembly point.JPG
 Facility name.JPG	SMETA A5084510 Signed Cap.pdf

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