



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC414836294	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS414855829	
Business name (Company name):	Yunhe Waffle Toys			
Site name:	Yunhe Waffle Toys Co Ltd			
Site address:	1-3 floor, 2nd building,#1 Chuangxin Road, Bailongshan Street,Yunhe,Lishui City,Zhejiang Province,CN. 浙江省丽水市云和县白龙山街道创新大道1-1号2号楼1-3楼（自主申报） lishui 323600 CN	Country:	CN	
Site contact and job title:	Mr. Jiang Peng / Manager			
Site phone:	+8613486225127	Site e-mail:	2953762061@qq.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-04-23			

Audit Company Name:
Excel Sustainability Management & Technology Co Limited

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Jerry Mao	APSCA Number:	21700962
Additional Auditors:	Spark Zhou		21700928
Date of declaration:	2024-04-23		

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. Jiang Peng
Title:	Manager
Date of declaration:	2024-04-23
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>	0.A.1 0.A.1		0	2	0	Obs - ZAF600432594 Obs - ZAF600432595
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§1 §2	2	0	0	NC - ZAF600446179 NC - ZAF600446180
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>	10.C.8		0	1	0	Obs - ZAF600432593

Local Law Issues

Issue	Description
§1	In accordance with Warning Sign in the Guidelines for Safety Signs and Usage (GB 2894-2008) Article 4.2.3, No.2-7, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 依据《安全标志及使用导则(GB 2894-2008)警示标志》第4.2.3条，编号2-7
§2	In accordance with the Safety Manufacturing Law Article 45, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment. 依据《中华人民共和国安全生产法》第45条

Site Details

Site Details			
Company Name	Yunhe Waffle Toys		
Site Name	Yunhe Waffle Toys Co Ltd		
GPS location (if available)	GPS Address:	1-3 floor, 2nd building,#1 Chuangxin Road, Bailongshan Street, Yunhe, Lishui City, Zhejiang Province	
	Coordinates:	Latitude: 28°4'57", Longitude: 119°33'33"	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91331125MA2E21DU5C, Valid period: From August 27, 2019 to long term		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Wooden toys		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The audited company Yunhe Waffle Toys Co.,Ltd was located at 1-3 floor, 2nd building,#1 Chuangxin Road, Bailongshan Street, Yunhe, Lishui City, Zhejiang Province, China. The total land area occupied by the facility was 3900 square meters. They had started their operation at the existing location since August 2022. In view of the facilities, the factory rent the 1st floor to 3rd floor of one 4-storey production building, the 4th floor was unused. There was no dormitory or canteen in the facility. A total of 32 employees (13 females and 19 males) were currently working in the factory, which included 30 production employees (13 females and 17 males) and 1 non-production employee (1 male), 1 manager (1 male). There were 7 local employees while others were migrant employees coming from different provinces of China. The factory adopted finger printing attendance recording facility to record working hours for employees. The employees worked for 8 hours per day in one shift from 07:30 to 16:30 with 60 minutes' lunch break from 11:30 to 12:30 for lunch break. The peak months in the factory were not obvious.		
Structure and number of buildings	Building Name:		Production building
	Floor	Description	Remark
	1	Cutting workshop, warehouse and office room	Nil
	2	Painting and brushing workshops and office room	Nil
	3	Assembling and packaging workshop and office room	Nil
	4	Idle	Nil

Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No structural integrity issue was observed.
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had obtained the construction acceptance report of the building.
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	Select a month to Select a month
Process overview	The main products manufactured by the factory are wooden toys. The main production processes include cutting, brushing, painting, assembling and packaging. There were total 2 production lines in the factory. The main machine list of the factory is as following: Cutting machine: 4 sets.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	Worker committee with 2 representatives.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A No dormitory was available in the factory.

Audit Parameters			
Time in and time out	Day 1		
	In	09:00	
	Out	17:00	
Audit type:	PERIODIC		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Mr. Jiang Peng / Manager		
Is further information available	No		

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	5	0	0	13	0	0	0	18
Worker numbers – female	2	0	0	11	0	0	0	13
Total	7	0	0	24	0	0	0	31
Number of Workers interviewed – male	2	0	0	4	0	0	0	6
Number of Workers interviewed – female	1	0	0	3	0	0	0	4
Total – interviewed sample size	3	0	0	7	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
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:	Nil

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No negative feedback
What did the workers like the most about working at this site?	Comfortable health and safety environments in the workshop areas.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Interviewees represented that the working hour was reasonable and overtime working was voluntary.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

10 workers were randomly selected for interview, including 6 male and 4 female employees. 2 out of 6 individual interviewed workers were focusing specially on Environment 4-Pillar and Business Ethics section. The workers were guaranteed that their employer would not know the identity of the interviewees. (More details of the profile of these workers cannot be divulged for purposes of confidentiality). This group included workers from different departments and there were both men and women, who attended the interview. All interviews were conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed. All 10 workers interviewed stated they were satisfied with the working conditions in the factory. 3 of the interviewees were local workers, while others were migrant workers from other provinces like Jiangxi in China. Based on factory tour, workers could freely leave their workstations for toilet or drinking area. All interviewees showed positive attitudes towards the factory and all of them enjoyed the comfortable health and safety environments in the workshop areas and the harmonious relationship with the managerial levels or immediate supervisors. The interviewees did not raise negative concerns during the interview process.

Attitude of worker's committee/union reps:

Worker representatives showed positive attitude towards auditors during interview process and meetings. They could freely express their concerns and thoughts to management on workers' side. They collected workers' suggestions and complaints and discussed with factory management every three months, if there was an emergent situation, they would help report to management directly.

Attitude of managers:

Factory management was highly positive and cooperative to support the auditors throughout the whole audit process. They showed respect to the auditors and all documents requested for the purpose of verifying the compliance of ETI Base Code, laws and local regulations were provided properly for auditors to review. During the closing meeting, all representatives of the factory were also positive to accept all non-compliances identified by auditors and they committed to take the corrective action plans as soon as possible after their internal discussions.

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

0A: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory had identified their stakeholders and measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. No adverse impact on human rights within their stakeholders was noted. They also had a statement which expressed its commitment to respect human rights and this had been communicated to the relevant stakeholders. Mr. Jiang Peng was designated as the person responsible for implementing standards concerning Human rights. Further, the factory had established a transparent grievance system which allowed employees for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Evidence examined:

During this audit, the policies and procedures on human rights, management manual, etc. were reviewed by auditors. All these documents proved that the human rights management system was properly implemented in the factory.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory had made the commitment to respect human rights in the employee manual.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

The policies were included in workers' manuals

Does the business have a designated person responsible for implementing standards concerning Human Rights?

☒ Yes ☐ No

Please give details:

Name: Mr. Jiang Peng, 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established a transparent grievance system which allowed employees for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a data privacy procedure for workers' information established in the factory. No violation was noted during the implementation.
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 5.0% This year 4.0%
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])	3.0%
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 3.0% This year 2.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	2.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory recorded accident properly. No accident was happened in the past year.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%

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

Observation		Evidence																														
[Back to findings summary]																																
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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:

There was a complete and effective social compliance management system in the factory, including all key elements of system like plan, do, check and action. A comprehensive social compliance management manual together with standards of legal law, regulation and client codes was drafted and kept up-to-date by the factory. The specific policies and procedures were also stipulated in this manual and displayed requirements of implementation.

Mr. Jiang Peng, Manager was designated as senior management representative to make sure the system was properly implemented to comply with the code. Meanwhile, the social compliances police and clients' codes were well communicated with all employees via internal training and poster.

Furthermore, there was a monitoring system in the factory to select, evaluate and control its suppliers. And the Ethical code was smoothly extended through their supply chain during the supplier selection and evaluation process.

Evidence examined:

During this audit, the social compliance policy, training procedure, social compliance management manual, local law articles and employee handbook etc. were reviewed by auditors. All these documents proved that the social compliance management system was complete and properly implemented in the factory.

Any other comments:

Nil

Management Systems

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

☐ Yes ☒ No

Please give details:

Auditors checked this through internet and no fines/prosecutions was noted.

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

☒ Yes ☐ No

Please give details:

Policies and procedures with regards to prohibition forced labour, child labour, discrimination and harassment and abuse were established to reduce the risk.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies were communicated to workers via poster and annual training. HR management would check the information of every new worker so that they could ensure no child labour being used.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employees would receive training about factory culture and regulation after recruitment, which included the standards for forced labour, child labour, discrimination, harassment and abuse. Ongoing orientation training would also be provided.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers showed a good awareness about above mentioned policy and procedure during interview process. Training records for employees were also provided for review.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The factory had a Human Resource department, Mr. Jiang Peng was in charge of the department and responsible for recruitment, wage and benefit issues in the factory.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr Jiang Peng, Manager
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This was included in the employee manual.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a data privacy procedure for workers' information established in the factory.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had carried out risk assessments annually to evaluate policy and procedure effectiveness. And the most recent one was conducted on May 19, 2023.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory would hold meetings after each risk assessment to discuss and confirm the implementation of controls to reduce identified risks.

Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a supplier control policy which included the requirement of labour standards established in the factory.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All required land rights licenses were provided. Such as the construction acceptance report of the factory buildings had been provided for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The land in China Mainland was belonged to the nation, anybody, no matter the characters, could only rent the land form governmental department for a period. If the factory would like to use the land, it should apply for it form governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory only rented this area after the construction completed.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: This area where the factory located was assigned as industry usage by governmental department.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All the areas of factory were legal according to the interview and document review.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory had properly set up a written policy with regards to prohibition forced labour and strictly regulated that not to use forced or prison labour. All workers chose the factory freely without any lodge deposits or original identity papers retaining. According to the regulations, the soft copy of the original identity paper was only maintained for the purpose of age verification during recruitment process.

Further, there was no movement restriction for workers during working hours. All workers could access to drinking area or toilet as they desired. And overtime works were arranged on workers' voluntary basis. Workers could refuse overtime hours via orally notified with their direct supervisor.

In addition, the factory properly well established a written resignation policy in accordance to legal requirements. The employees within the probation could resign from the factory freely with 3-days prior written notice, while the permanent employees could resign from the factory with 1-month prior written notice. And the leaving wage would be paid at the last working day to resigned workers.

Evidence examined:

During this audit, the prohibition forced labour policy, labour contracts, personnel files, hiring and termination procedures, termination records and payroll records were checked by auditors. All these documents and records were complete, valid and properly proved the compliance status.

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had properly set up a written policy with regards to prohibition forced labour and strictly regulated that not to use forced or prison labour. Related trainings were also provided to employees and there was a grievance channel for employees to report confidentially. This was also checked during internal audits conducted by the factory yearly.

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:

There was a worker committee with 2 worker representatives in the factory. This committee properly provided a fluent channel for all workers to submit their complaints or concerns. All the representatives normally met on regular basis to summarize the concerns and complaints from production workers; after that the committee would hold a bilateral meeting with factory management to discuss all collected concerns and complaints. The meeting minutes were properly kept in files for review. Further, they would hold an annual meeting to share the achievements and launch some recreational activities for employees.

In addition, all workers could report their concerns through hotline, suggestion box or face to face communication. And complaints or suggestion would be tracked within a short time

Evidence examined:

The factory policy, factory principles, grievance procedures, etc. were reviewed by auditors during this audit. All these documents were complete and valid for proving the factory social compliance status.

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker committee with 2 representatives	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had set up a written grievance procedure. All workers could submit their concerns via suggestion box and face-to-face communication to their direct supervisors or upper managerial levels.	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The committee could use the meeting room in the office area freely to conduct related business.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes. There was one worker committee with two worker representatives in the factory. All workers could also directly report their concerns via the suggestion box or directly report to their upper managerial levels.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Interviewed workers were aware of their worker representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-03-06
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	There were meeting minutes and workers interview confirmed that factory management would hold meeting with workers to discuss workers' concerns on regular basis. The last meeting was held on March 6, 2024 with topic of how to improve safety.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory was operated in a safe and sound working environment with proper lighting and ventilation system except for the findings noted in below report. Sanitary drinking water and toilets were available to all workers on each production floor.

The fire-fighting equipment were properly installed and maintained in the factory. And the functional inspection was conducted monthly to make sure all facilities were available to emergency events. In addition, the factory carried out fire drills twice per year and the latest fire drill was conducted on November 9, 2023. All relevant records and photos were also well kept in documentation for review.

All of chemicals like paint was used in the factory, which were properly labelled. Workers in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

Most of electrical wires and electricity facilities were maintained in good condition without exposure. Meanwhile, all machines were properly equipped with safety devices.

Furthermore, the factory had a program and materials to provide EHS training to workers including PPE usage, working instruction etc.

Currently there were 2 first aiders with qualified certificate in the factory. These first aiders would inspect the supplies in first aid kit on a weekly basis to ensure the sufficiency and validation of medicines. And the work-related injury happened were properly tracked, recorded and investigated. The factory had enough first aid supplies and all sufficient first aid kits were placed in the production areas.

There was an Occupational Health and Safety Committee with 3 members as a working team in place. Mr. Jiang Peng, Manager was designated as the officer of this OHS Committee and responsible for all occupational health and safety related issues in production workshops. This committee would hold meeting every one to three months to discuss internal EHS monitoring issues.

Evidence examined:


During this audit, the Health and Safety policy and procedures, accident and injury records, fire drill records, safety training records etc. were checked by auditors. Most legally required certificates were properly obtained and kept in validation. Health and safety policy and procedure were solid to guide regular implementation. The supplementary records were properly maintained to support daily operations.

Any other comments:

Nil


Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a safety production procedure in the factory that stated all related aspect of general and occupational health and safety issues with detailed operation instructions.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The health and safety policies were included in worker's manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditors were informed on health and safety risks when entering the factory and was provided with proper personal protective equipment during factory tour.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Although no medical room was available in the factory, there were first aid kits with sufficient supplies provided for employs in production areas.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Currently there were 2 first aiders with qualified certificate in the factory.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. No transportation was provided by the factory.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A No dormitory was available in the factory.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory would conduct annual risk assessments on different kinds of health and safety issues. And the last one was conducted on November 9, 2023. The factory had also established control methods to reduce the identified risk. However, no risk assessment evaluating the arrangements for workers doing overtime was conducted.

Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All legally required environmental documents were obtained and kept updated by the factory. The disposal of the general wastes was in compliance with legal requirements.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable. There were no specific environmental standards from the factory's customers.

Non-Compliance		Evidence																															
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600446179</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>227 - Unmarked / incorrect labels / signage / instructions for electrics</td></tr><tr><td>Subcategory</td><td>Electrical risk</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Warning Sign in the Guidelines for Safety Signs and Usage (GB 2894-2008) Article 4.2.3, No.2-7, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 依据《安全标志及使用导则(GB 2894-2008)警示标志》第4.2.3条, 编号2-7</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that no warning sign was marked on 2 out of 4 powere switch boxes in the packaging workshop. 审核员发现包装部门的2/4个电源开关盒没有安装警示标志。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>It is recommended that all power switch boxes should be marked with appropriate warning sign. 建议工厂给所有电源开关盒张贴警示标识。</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600446179	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	Subcategory	Electrical risk	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Warning Sign in the Guidelines for Safety Signs and Usage (GB 2894-2008) Article 4.2.3, No.2-7, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 依据《安全标志及使用导则(GB 2894-2008)警示标志》第4.2.3条, 编号2-7	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	It was noted that no warning sign was marked on 2 out of 4 powere switch boxes in the packaging workshop. 审核员发现包装部门的2/4个电源开关盒没有安装警示标志。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that all power switch boxes should be marked with appropriate warning sign. 建议工厂给所有电源开关盒张贴警示标识。	<div></div> <div>without warning sign.JPG</div>
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600446180</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate</td></tr><tr><td>Subcategory</td><td>Personal Protective Equipment/Clothing</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with the Safety Manufacturing Law Article 45, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment. 依据《中华人民共和国安全生产法》第45条</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that the factory provided anti-dust masks to all the employees in the cutting workshop who were exposed to dust. But due to the stuffiness of wearing anti-dust mask, 3 out of 5 employees who were exposed to dust wore disposable medical mask instead of the anti-dust mask provided by the factory. 审核员发现工厂给所有裁断车间接触粉尘的员工提供防尘口罩，但由于佩戴防尘口罩比较闷热，3/5名接触粉尘的员工佩戴口罩是一次性医用口罩，而不是工厂提供的防尘口罩。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600446180	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	Subcategory	Personal Protective Equipment/Clothing	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with the Safety Manufacturing Law Article 45, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment. 依据《中华人民共和国安全生产法》第45条	ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	Explanation to the non compliance	It was noted that the factory provided anti-dust masks to all the employees in the cutting workshop who were exposed to dust. But due to the stuffiness of wearing anti-dust mask, 3 out of 5 employees who were exposed to dust wore disposable medical mask instead of the anti-dust mask provided by the factory. 审核员发现工厂给所有裁断车间接触粉尘的员工提供防尘口罩，但由于佩戴防尘口罩比较闷热，3/5名接触粉尘的员工佩戴口罩是一次性医用口罩，而不是工厂提供的防尘口罩。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days	<div><p>improper mask.JPG</p></div>
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	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the employees should be supervised and trained to properly wear and use the personal protective equipment. 建议工厂监督和教育工人正确佩戴和使用个人劳动防护用品。	

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:

There was a written policy in regards to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory. To prevent hiring child labor, the factory also established a child remediation program and age verification mechanism. The HR executive would authenticated ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process. Further, protective policy for juvenile workers were also established in place and properly documented in the factory regulations.

According to review of employees' personal files, there was no child labor or young worker in the factory. The youngest worker employed in the factory was 31 years old.

Evidence examined:

During this audit, different kinds of procedures, policies and records on child labour and hiring, and all labour contracts were provided for review. All these documents and records were complete to track the workers' age and make sure no child labour would be used.

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	31
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

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:

All workers were paid at an hourly rate basis by cash at the end of each month. Meanwhile, the pay slip with proper information including workers name, department, wage level, regular working hours, regular work payment, overtime hours, overtime payment, gross wages, deductions, net wages, staff signature etc. was provided to each worker.

During this audit, the payroll records from March 2023 to February 2024 (current month) and the attendance records from March 2023 to March 2024 (full attendance month) were provided for review. As per review of 10 sample population employees' payroll records from July, December 2023, February 2024 respectively, it was noted that all sampled workers were paid at least RMB 14.4 per hour, which was higher than the local minimum wages of RMB 2010 per month or RMB 11.55 per hour since January 1, 2024 and RMB 1840 per month or RMB 10.57 per hour. Additionally, all sampled workers were properly paid 150 % and 200% of their normal wages for workday and weekend overtime hours as legally required. No statutory holidays overtime hours were noted.

According to the social insurance payment receipt provided by factory management, it was noted that all 32 (including 2 retired worker) employees (100%) were provided with pension, medical, unemployment, accident and maternity insurances in March 2024. And factory provided commercial accident insurance for 5 employees with the valid period from April 1, 2024 to March 31, 2025.

Further, all workers were paid when they were enjoying statutory holidays. Paid annual leave benefit was also entitled to the employees who worked more than one year according to legal law. No unreasonable deduction or monetary fine was noted during this audit.

Evidence examined:

During this audit, different kinds of policies and procedures on compensation and last 12 months' payroll records and 13 months' attendance records were provided for review. Auditors also cross-checked the payroll and attendance records with production records (material in and out records, inspection records, etc.), and interviewed workers. No inconsistencies were noted. All these documents and records were complete and accurate to reflect the full situations of wages and benefits.

Any other comments:

Nil

Summary Information

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 10.0 Per Month: 36.0	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: 92.4 Per Week: 462.1 Per Month: 2010	Actual Per Day: 115.2 Per Week: 576 Per Month: 2500	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: 43.2 Per Week: 273.6 Per Month: 1008	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 sample population employees' payroll records from July, December 2023, February 2024 respectively.		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB14.4 per month		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Nil Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance (including pension, medical and unemployment insurances) and income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	Nil		
Please list all deductions that have not been made.	Social insurance (including pension, medical and unemployment insurances) and income tax		

Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Every in and out time of sampled employees had been properly recorded in the attendance records.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Annual review of wages would be conducted for employees by the HR Manager.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The payroll records showed that the workers with the same working experiences in same position were paid at same rate.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> 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:

The factory adopted the finger printing time recording facility to record working hours for employees. All employees worked for 8 hours per day in one shift from 7:30 to 16:30 with 60 minutes' lunch break from 11:30 to 12:30. There was no obvious peak or slack season in the factory.

During this audit, the attendance records from March 2023 to March 2024 (full attendance month) were provided for review. As per review of 10 sample population employees' attendance records from February 2024, July and December 2023 respectively, it was noted that the maximum daily overtime working hours, weekly working hours, the maximum monthly overtime hours and most consecutive working days for all sample population employees were 2 hours per day, 50 hours per week, 36 hours per month and 6 days, which were in compliant with legal and ETI requirements.

Evidence examined:

During this audit, the working policy and procedure, the last 13 months' attendance records, factory regulations, labour contracts, leaving application records, etc., were reviewed by auditors. Auditors also cross-checked the payroll and attendance records with production records (material in and out records, inspection records, etc.), and interviewed workers. No inconsistencies were noted. All these documents and records were complete and accurate to reflect the full situations of wages and benefits.

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Finger printing time recording facility
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Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	2 hours per day, 8 hours per week, 8 hours per month in February 2024 2 hours per day, 10 hours per week, 34 hours per month in December 2023; 2 hours per day, 10 hours per week, 36 hours per month in July 2023
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Approximate percentage of total workers on highest overtime hours:	100.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Documents review (labor contract and employee manual), employee and management review.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% and 200% of regular rate for workday overtime hours and weekend overtime hours respectively.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All employees were compensated monthly by 150% and 200% of regular rate for workday overtime hours and weekend overtime hours respectively and got payment monthly.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	N/A. There was legal requirement that 150%, 200% and 300% of regular rate for workday overtime hours, weekend overtime hours and statutory holiday overtime hours respectively shall be compensated.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	There was no specific law requirement for weekly hours in China
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The extra overtime hours were caused by tight shipment due to labor shortages.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

7 - No Discrimination is Practiced

[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

All workers in this factory were employed and promoted solely based on their working abilities and experiences rather than their race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Female workers in this factory were not required to take pregnant tests before or during their employment. Equal job was being paid on the same level. Gender divisions were visible in the factory; both female and male workers were distributed to each working and managerial position.

Evidence examined:

During this audit, policy and procedures with regards to prohibition of discrimination, labour contracts, hiring and termination procedure, promotion and training procedure and records, payroll records and grievance procedure were checked. No discrimination related case was noted based on these documents and records.

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 100.0%		Female: 0.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0			
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring	<input type="checkbox"/> Compensation	<input type="checkbox"/> Access to training	
	<input type="checkbox"/> Promotion	<input type="checkbox"/> Termination or retirement	<input checked="" type="checkbox"/> No evidence of discrimination found	
Please give details	No evidence of discrimination found.			
Professional Development				
What type of training and development are available for workers?	The factory would provide different kinds of health and safety trainings, awareness trainings (regarding wage and benefits trainings, working hours, etc.) for employees. Females as well as males were trained to become supervisors			
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

All of the workers were recruited by the factory directly and had properly signed contracts with the factory. No labour agency was used to hire workers. No temporary worker or home worker was identified by auditors. Additionally, all of the sampled workers were properly provided with one copy of the labour contract for his or her reference. All of the employees' labour contracts had properly included all legally required mandatory clauses.

Evidence examined:

During this audit, labour contract and payroll records, the hiring and termination procedure and records, etc. were provided for review. These documents and records were all checked by auditors and proved that all workers were permanent and hired legally.

Any other comments:

Nil

Responsible Recruitment

All Workers

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

☒ Terms & Conditions presented
☒ Same as actual conditions

☒ Understood by workers

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

☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:

All production processes

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, no such deduction was noted.
Is there any observation on this finding?	N/A, no such deduction was noted.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 10% migrant workers were in skilled roles.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency was used.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency was used.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractor was used.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractor was used.

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:

All of the workers were recruited by the factory directly and had properly signed contracts with the factory. No labour agency was used to hire workers. No temporary worker or home worker was identified by auditors. Additionally, all of the sampled workers were properly provided with one copy of the labour contract for his or her reference. All of the employees' labour contracts had properly included all legally required mandatory clauses.

Evidence examined:

Daily production records, warehouse in and out records and QC records were all properly reviewed by auditors. All documents and records showed there was no practice of homeworking in this factory.

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

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

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The factory had properly set up an escalating disciplinary mechanism for workers' misbehaviours in place, which included oral warning, written warning, termination etc. Additionally, no abuse or harassment related issue had ever happened in the factory. Moreover, all workers appeared relax, worked together in harmony and concord condition. Worker interview confirmed that workers were aware of the disciplinary procedure.

Evidence examined:

During this audit, the policy and procedure on prevention of harassment and abuse, disciplinary rules and records, grievance procedure, factory rules and training records were checked. All documents and records showed no form of intimidation was occurred in this factory.

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had set up a written grievance procedure. All workers could submit their concerns via suggestion box or face-to-face communication to their direct supervisors or upper managerial levels.
If yes, are workers aware of these channels and have access? Please give details.	As per workers interview, they expressed such communication channel existed but few of them had use it because there had been no violations occurred.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Via suggestion box or face-to-face communication to their direct supervisors or upper managerial levels.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	There was only grievance mechanism provided for employees in the factory. No grievance channel was available for external parties.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

All workers in the factory were Chinese and about 22% were resident workers. No foreign worker was used by the factory. All workers had the proper legal rights to work in this region and their ages were at least 31 years old. All of them were recruited directly by the factory and no talent agency was involved in factory's recruitment processes.

Evidence examined:

Details: During this audit, the hiring procedure, personnel records, labour contracts, etc. were reviewed by auditors. No agency staff or foreign worker was used by the factory.

Any other comments:

Nil

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

10B4: Compliance Requirements

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

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

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

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

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

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

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

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

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

10B4: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

Legally required environmental documents were obtained and kept updated by the factory. Legally required certificates including the registration form of environmental impacts of the construction, approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit.

The solid wastes were properly separated from normal waste and stored in defined space with label. The factory installed secondary container for ink to prevent leakage. And solid wastes were collected by a qualified agency.

Based on worker and management interview, they were trained on environmental protection.

Evidence examined:

During this audit, all legally required certificates including environmental impact appraisal documents, approval of environmental impact assessment document, environmental check and acceptance report, pollutant discharge permit, etc. were available for review. The provided legally required documents were well maintained and valid.

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):	Mr. Jiang Peng, Manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted risk assessment on the environmental impact and had reduced identified risks step by step.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The related environmental policy, discharging records, policy updated records and training records were provided for review.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the policy, it addressed the key impacts and the factory management would hold meeting on regular basis.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental impact appraisal documents, approval of environmental impact assessment document, environmental check and acceptance report, pollutant discharge permit were properly maintained and valid.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The amount of paint used in the workshops was recorded by the management.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This was included in the facility's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The Reduction targets were established to reduce costs and all these things were ongoing.

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All waste was processed by local government, factory did not need to recycle.	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Measured to reduce costs.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory didn't monitor the environmental performance of the sub-contractors.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	25600	11600
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water supply	Municipal water supply
Water Volume Used	15300	6800
Water Discharged	Municipal sewage treatment plant	Municipal sewage treatment plant
Water Volume Discharged	12100	5700
Water Volume Recycled	0	0
Total waste produced	19500 kg	9500 kg
Total hazardous waste produced	650 kg	260 kg
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	18850 kg (send to local garbage station)	9240 kg (send to local garbage station)
Total Product Produced	1,033,000 Pieces	857,000 Pieces

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

10C: Compliance Requirements

10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C: Guidance for Observations

10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

The factory was not aware of all their clients' business practices standards or codes. The Code of Conduct of Excel Sustainability Management & Technology Co., Limited (audit firm) was issued to the factory during audit confirmation process, which was also confirmed and signed by the factory during field audit.

Based on worker and management interview, they were trained on Business Ethics policy. The company business ethics policy including, anti-Bribery, anti-corruption etc.

No unethical business practices case was noted during this audit.

Evidence examined:

During this audit, only a simple business practices policy and procedure was kept in documentation and reviewed by auditors.

Any other comments:

Nil

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

☒ Internal Policy

☐ Policy for third parties including suppliers

Please give details:

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

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

Observation		Evidence																														
[Back to findings summary]																																
<table><tr><th colspan="2">Observation</th></tr><tr><td>Status</td><td>CLOSED</td></tr><tr><td>Reference</td><td>ZAF600432593</td></tr><tr><td>Clause</td><td>10C - Business Ethics – 4-Pillar Audit</td></tr><tr><td>Issue Title</td><td>659 - Policy and procedures to prevent or avoid bribery, corruption and other unethical business practices have not been communicated to employees in higher risk positions such as management, finance, purchasing and logistics</td></tr><tr><td>Subcategory</td><td>BE - Systems to manage compliance</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA414857508</td></tr><tr><td>Resolved by audit</td><td>ZAA600060096</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td>N/A</td></tr><tr><td>ETI code</td><td>10.C.8 - Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</td></tr><tr><td>Explanation to the observation</td><td>It was noted that the factory did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</td></tr><tr><td>Actions</td><td>N/A</td></tr><tr><td>Additional comments</td><td>It was noted that the factory had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. It was noted that the factory had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</td></tr></table>			Observation		Status	CLOSED	Reference	ZAF600432593	Clause	10C - Business Ethics – 4-Pillar Audit	Issue Title	659 - Policy and procedures to prevent or avoid bribery, corruption and other unethical business practices have not been communicated to employees in higher risk positions such as management, finance, purchasing and logistics	Subcategory	BE - Systems to manage compliance	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA414857508	Resolved by audit	ZAA600060096	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	Root cause - Other	N/A	ETI code	10.C.8 - Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.	Explanation to the observation	It was noted that the factory did not communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.	Actions	N/A	Additional comments	It was noted that the factory had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. It was noted that the factory had communicated their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
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Attachments



1. factory gate.jpg



2. factory name.jpg



3. production building.jpg



4. warehouse.jpg



5. cutting.jpg



6. brushing.jpg



7. painting.jpg



8. assembling.jpg



9. packaging.jpg



10. chemical warehouse.jpg



11. safety exit.jpg



12. evacuation map.jpg



13. fire alarm.jpg



14. fire fighting equipment.jpg



15. electrical box.jpg



16. eye washing device.jpg



17. toilet.jpg



18. suggestion box.jpg



19. finger printing device.jpg



20. drinkable water.jpg



21. first aid kit.jpg



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

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

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

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

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