



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000014689	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000016186	
Business name (Company name):	YANTAI TRANSOCEAN FOODSTUFF CO LTD			
Site name:	YANTAI TRANSOCEAN FOODSTUFF CO LTD			
Site address:	NO.62 NORTH ROAD BEIJING, DAJJIA DISTRICT, YANTAI ETDZ, CHINA Yantai 264000 CN	Country:	CN	
Site contact and job title:	Mr. Ma Jintao / QA Manager			
Site phone:		Site e-mail:	majin1234tao@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-10-30			

Audit Company Name:
DNV

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 Xu	APSCA Number:	21702960
Additional Auditors:			
Date of declaration:	2023-10-30		

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. Ma Jintao
Title:	QA Manager
Date of declaration:	2023-10-30
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.3	§1 §2	2	0	0	NC - ZAF600236409 NC - ZAF600236410
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§3	1	0	0	NC - ZAF600236411
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600236412
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19, the unit shall, according to the danger of chemical, identify the containing, transportation, or storing equipment with specific color, label or sticker.

<p>§2</p>	<p>Article 35 of the Food Safety Operation Code for Catering Services-2018, Requirements for Sample Retention 7.9 Retaining food samples 7.9.1 Schools (including child care institutions) canteens, nursing home canteens, medical institution canteens, central kitchens, collective dining and distribution units, construction site canteens (for more than 100 people) and catering service providers (for collective gatherings more than 100 People may provide meals for major events), and samples of finished food should be kept for each meal. Other catering service providers should take samples of finished food products according to the catering objects, the number of servants, the types of food, the ability to control food safety and relevant regulations. 7.9.2 The samples should be stored in special sealed containers after cleaning and sterilization according to varieties, and stored in special refrigeration equipment for more than 48 hours. The amount of sample retained for each variety should be able to meet the needs of inspection and testing, and not less than 125g. 7.9.3 The container holding the sample food shall be marked with the name, time (month, day, hour) of the sample food, or the mark corresponding to the sample storage record. 7.9.4 The designated person shall manage the retained sample food and record the retained sample situation. The recorded contents include the retained sample food name, retained sample time (month, day, hour).</p>
<p>§3</p>	<p>In accordance with the PRC Labour Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child-bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.</p>
<p>§4</p>	<p>In accordance with the China Labour Law article 41, the employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.</p>

Site Details

Site Details		
Company Name	YANTAI TRANSOCEAN FOODSTUFF CO LTD	
Site Name	YANTAI TRANSOCEAN FOODSTUFF CO LTD	
GPS location (if available)	GPS Address:	No. 62, North of Beijing Road, Yantai Economic and Technological Development Zone, Shandong Province, China.
	Coordinates:	E 121.07766, N 37.66141
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business licence No.: 913706005845344868, Valid from 21 Oct. 2011 to long term. Food production permit No.: SC11137063600908, Valid from 12 Nov. 2020 to 11 Oct. 2025.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Marine products	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The company was established on 21 Oct. 2011 and located at No. 62, North of Beijing Road, Yantai Economic and Technological Development Zone, Shandong Province, China. In the audit location, the factory owned one single-storey building and two four-storey buildings, the total floor areas used by the factory are 7300 square meters.	

Structure and number of buildings	Building Name:		Office building
	Floor	Description	Remark
	1	Office	Year of completion: 2015
	2	Office	Year of completion: 2015
	3	Office	Year of completion: 2015
	4	Office	Year of completion: 2015
	Building Name:		Accommodation building
	Floor	Description	Remark
	1	Canteen	Year of completion: 2015
	2	Dormitory room	Year of completion: 2015
	3	Dormitory room	Year of completion: 2015
	4	Dormitory room	Year of completion: 2015
	Building Name:		Production building
	Floor	Description	Remark
	1	Workshop, warehouse	Year of completion: 2015
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: From visual observation, the building was observed in safety conditions and without cracks.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All buildings had been evaluated on the structure safety at the time of completion and the building structure acceptance reports were provided for review.		
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	Products being produced: Marine products, Main production processes: Gutting, unfreezing, freezing, cutting and packing. Main equipment: 4 cutting machines, 4 freezing machines, etc. Production lines: 2 packing lines.		

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:	There were 2 worker's representatives elected freely by workers in the factory.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 20% of workers in on site accommodation
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Audit Parameters		
Time in and time out	Day 1	
	In	08:44
	Out	16:44
Audit type:	FULL_INITIAL	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	No	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Mr. Ma Jintao / QA Manager	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	There was no union at this factory.		
<i>Reason for absence during the audit</i>	There was no union at this factory.		
<i>Reason for absence at the closing meeting</i>	There was no union at this 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	11	0	0	14	0	0	0	25
Worker numbers - female	25	0	0	12	0	0	0	37
Total	36	0	0	26	0	0	0	62
Number of Workers interviewed - male	2	0	0	2	0	0	0	4
Number of Workers interviewed - female	4	0	0	2	0	0	0	6
Total - interviewed sample size	6	0	0	4	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: N/A

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 2 Female: 4
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 complaints were raised by workers. all interviewed workers were satisfied with the working condition.
What did the workers like the most about working at this site?	All workers said they were satisfied with working condition.
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	The interviewees verified that they had the choice to decide whether worked OT or not according to the voluntary principle. They wanted more OT hours and premium.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:
<p>The factory had total 62 workers at present. 10 workers were selected for interview as 1 group of 4 workers and 6 individual workers. The interview was conducted in an independent place. The workers were assured of confidentiality and they spoke freely of their views. All workers were generally satisfied with factory management and working conditions in the factory. The information of interview was as below: •Regarding child labour issue, all interviewees confirmed that the factory checked their ID cards to verify their ages during recruitment. All interviewed workers were not less than 18 years old. •For forced labour issue, the workers confirmed no “deposit” was required and their original documents such as ID cards were kept by themselves, they could leave factory freely after working hours. •Regarding discrimination issue, all interviewees confirmed that no discrimination case occurred in the factory. •For discipline practice issues, the interviewees said they may be orally or written warned, they will be fired when they seriously violate the company's rules and regulations, but no monetary fined if they broke the factory rules. •For safety and health issue, the workers were satisfied with the working condition and the factory provided induction training for new workers and regular safety training to all workers. •For working hour's issues, the normal working hours are 5 days per week and 8 hours per day. Workers rested on all Sundays and holidays. They had the right to refuse overtime work. •Regarding wages issue, the interviewed worker said they could obtain the wages periodically by cash on the 25th of every month. All interviewed workers said they were paid hourly wages. •For OT wages, the interviewees said the factory paid 150% and 200% of normal rate for overtime on weekday and Saturdays respectively, paid 300% of normal rate for overtime in public holiday. Paid legal leaves and maternity leaves were provided to all employees. •For treatment issue, the workers confirmed no harsh or inhumane treatment occurred and the management was kind to all employees. •For freedom of association issue, workers could complain to their supervisors, access to workers' representatives, directly or wrote anonymous letter to the suggestion box or call the telephone of the factory boss. They had good relationships with their supervisors and managers who treated them with respect.</p>
Attitude of worker's committee/union reps:
<p>The worker representative was satisfied with the working condition, and all employees could give suggestions on all parts of the site's practices.</p>
Attitude of managers:
<p>The factory management was well co-operative during the audit, all the documents & area concerned were open to audit. They showed a willingness to improve all issues found in the audit.</p>

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a written human rights policy covering human rights impacts and issues, and which was published by the general manager.
2. A senior manager was designated person responsible for implementing standards concerning Human rights.
3. No adverse impact evidence on human rights within any of their stakeholders was detected.
4. Workers could complain or confidentially report to their supervisors or boss, directly or wrote anonymous letter to the suggestion box or call the telephone of the factory boss. Workers had not any fear of reprisals from the factory or involving parties.
5. The factory also communicated the company's human rights policies to stakeholders. The factory has appointed one administrator to receive complaints and suggestions from stakeholders through direct telephone, exclusive email or letter.

Evidence examined:

- 1.Human rights policy
- 2.Employee handbook
- 3.Appointment letter of human right representative
- 4.Anonymous grievance records

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory published a human rights policy.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a human rights policy in the employee handbook.

<p>Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory appointed the factory manager as representative of social responsibility management.</p>				
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory provided suggestion boxes and hotline numbers to collect complaints from employees and dealing with human rights impacts without fear of reprisals towards the reporter. At the same time, the factory communicated the company's human rights policy to stakeholders, and provided contact information such as email (majin1234tao@163.com), telephone number (+86-18306380187) and so on to receive complaints and suggestions.</p>				
<p>Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>				
<p>Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All employees' information and personnel files were kept by the admin department. Only authorized people could view it.</p>				
Measuring Workplace Impact					
<p>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))</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">6.7%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">4.1%</td> </tr> </table>	Last year	6.7%	This year	4.1%
Last year	6.7%				
This year	4.1%				
<p>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])</p>	<p>2.7%</p>				
<p>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)</p>	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0.086%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0.063%</td> </tr> </table>	Last year	0.086%	This year	0.063%
Last year	0.086%				
This year	0.063%				
<p>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)</p>	<p>0.037%</p>				

Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The written accident records indicated that no accident occurred last year.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had established policies and written procedures which ensured the site meets in particular freedom of association, discrimination, child labour prohibition and general human rights standards.
- 2.The appointment letter of management representative for management of ETI compliance was also provided for review, one senior manager was responsible for compliance with the Code.
- 3.Based on talking with factory management, they were familiar with local laws concerning labour standards such as wages, working hours, health and safety and so on.
- 4.ETI Base Code and client specific codes have been communicated to suppliers with supplier notice letter.
- 5.The factory conducted internal audit and management review for its social accountability system before this audit day.
- 6.The factory held the property ownership certificates and land certificates.
- 7.The factory obtained the business license and other legal documents to operate the company.
- 8.The factory posted the ETI code on the bulletin board and trained all employees on the ETI code.

Evidence examined:

- 1.Employee handbook, written policies and procedure.
- 2.Management representative appointment letter.
- 3.Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
- 4.Management interview and worker interview.
- 5.Internal audit and management review report.
- 6.The ownership certificates and land certificates.
- 7.business license.

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:

The factory was punished by the Yantai Municipal Emergency Management Bureau in April 2023 for violating China's work safety Law, and the factory paid a fine and updated its work safety emergency plan.

<p>Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Policies exist for Forced labour, Health and Safety, Wage, Working Hours, No harsh treatment, Environment and Business Ethics. Policies exist for Child Labour, Recruitment, Discrimination and Subcontracting.</p>
<p>If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies exist for some of these areas (Forced labour, Health and Safety, Wage, Working Hours, no harsh treatment and Business Ethics); these are communicated to workers via poster and training.</p> <p>Through documents review and workers interview, policy on management system, health and safety and environment were in compliance with the code.</p> <p>Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
<p>Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The training records were available in the factory.</p>
<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training records:</p> <ul style="list-style-type: none"> - Training for management/supervisors. - Introductory training record for new employees. - Confirmed via management and worker interview.
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The site did not have any internationally recognised system certifications.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The factory admin manager was in charge of HR management.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory manager was responsible for implementation of the Code.</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had procedure to ensure workers' information is confidential, such as for workers' ID copy, address and contact information, etc.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All confidential information including personnel files was locked away in the admin department and only viewed by the top manager and authorized personnel.</p>

Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a few of written risk assessment procedures and records such as Job analysis records for pregnant women, PPE requirements analysis.
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 developed risk management procedures, conducted post risk assessments, and took control measures for potential high risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has established the supplier policy, including the labor standards that the supplier should follow.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the ownership certificates and land certificates.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established investigation procedures on the legality of land use, and the factory was not found to have violated national laws and regulations on land.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: As per local laws, the state owns all land in China. All buildings were allowed to be built only obtaining the planning permit.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory obtained the planning permit and house proprietary certificate from local authority 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: No negative evidence was detected.

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory had a policy which prohibited forced labour and this was available for review.
- 2.There was a procedure stated that employees must present their ID cards for proof of age, but that only copies must be kept in the personnel files and the original given back to the workers.
- 3.The employee handbook was given to all workers on joining, stated that employees within their probation period were free to leave with 3 days written notice and once a worker was permanent (this was out of probation), they could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
- 4.The managements did not prohibit workers from leaving the premises outside of working hours. Overtime was voluntary.
- 5.No wage deductions, any deposits or withholdings were identified based on the review of the payrolls.
- 6.The recruitment procedure stated that they could not recruit prison workers, compulsory overtime was prohibited, and employees can report threats, intimidation and abuse to management.
- 7.The factory signed the labor contract with its employees, the labour contract did not have abusive items.
- 8. The admin department of the factory recruited employees independently, and employees did not need to pay the recruitment fee.
- 9. Workers were not forced to work through the use of threats, intimidation or physical abuses.

Evidence examined:

- 1.Social accountability policy and manual
- 2.Employee handbook
- 3.Recruitment procedure
- 4.Personnel files and labour contracts
- 5.Payroll records
- 6.Resignation records
- 7.Interview with management and workers
- 8.Site tour
- 9.labour contracts

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:

<p>Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There were no restrictions on employee termination.</p>
<p>If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details: The factory was not registered in the UK or has a branch in the UK.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no evidence that workers will be barred from leaving at the end of the work day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details: The factory established the written policy on prohibition of forced/Trafficked/Bonded labour in its supply chain. No forced / trafficked / bonded labour was detected in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory conducted an annual social responsibility assessment of the supplier.</p>

2 - Freedom of Association and Right to Collective Bargaining are Respected
[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The written policy on freedom of association showed that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- 2.There is no union at the site.
- 3.There was evidence of two worker's representatives elected freely by workers.
- 4.Employees understood collective bargaining rights but have no plans to conduct the collective bargaining with the company.

Evidence examined:

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

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:	There were 2 worker's representatives elected freely by workers in the factory.
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: Workers could raise their concerns through telephone, suggestion box, directly communicating with the factory management.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input checked="" 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 worker's representative could use any free rooms to meet workers freely.
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?	Two worker representatives were elected by the workers themselves.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory posted the information of the employee representatives on the bulletin board.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-16
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The last communication meeting was held on 27 Sep. 2023 with topic of overwork and lasting about 1.5 hours.
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:

3.1 Management system

- The factory provided pre-job occupational health training and regular on-job occupational health training for employees and disseminated occupational health and safety knowledge.

- Health & safety policy was established, and the factory managers were familiar with it.

- One senior management was appointed as Health & Safety Manager for the site.

- H&S Risk assessments were conducted.

- The factory has conducted effective risk assessment to ensure the safety of all types of workers, e.g. pregnant and lactating women, young workers, migrant workers.

3.2 Personal Protective Equipment (PPE)

- The factory provided training records on the use of PPE.

- All PPE was provided free of charge to employees, who can replace the used PPE as defined frequency or broken.

- The factory provided suitable PPE for employees who exposed to hazards, all employees who should wear PPE had used the PPE appropriately.

3.3 Emergency response/ First aid/ Accidents

- Two employees attended the Red Cross first aid training and obtained the certificates of first responder.

- The factory signed the medical treatment agreement with one local hospital.

- The factory offered pre-job fire safety training for employees and organized fire safety training and fire protection drilling. The latest fire drill was conducted on 15 Sep. 2023.

- There were at least 2 exits at each work floor and they were clearly marked. All exits were unbarred and unlocked.

- All evacuation aisles were clear and unblocked and its width was enough.

- The factory kept the records of work-related injury; no accident or injury had occurred up to the audit date.

- The factory established an emergency plan, including mechanical injury, fire accident, high temperature, traffic accident, electric shock, environmental pollution, chemical leakage, natural disaster and so on.

3.4 Electrical safety

- Two electricians were available at the site and the qualification certificates were provided for review, they regularly inspected the electrical safety of the factory.

- All electrical equipment such as sockets, plugs, switches and main fuse boards were maintained in good condition.

3.5 Fire safety

- Fire equipment (e.g. hydrants, extinguishers) and evacuation facilities were equipped at each floor.

- Firefighting facilities were inspected once every month, and check records were available.

- There were designated fire fighters at each workplace.

3.6 Machinery

- All production machines were under safety conditions.

- The equipment management personnel regularly maintained the equipment and kept the maintenance records.

3.7 Building safety

- The factory had the reports of acceptance check for construction completion and the acceptance inspection reports of fire protection system for its buildings.

- All buildings were observed in safety conditions and without cracks.

3.8 Hygiene

- The kitchen was clean and sanitary, the food service permit was granted by the local Market Supervision and Administration, the food operators held the valid health certificates.

- Lavatory facilities were accessible and adequate in number and segregated for men and women.

Washbasins and water taps were available and adequate.

3.9 Chemicals

- There were ethyl alcohol, sodium hypochlorite and lubricating oil used in the factory, MSDSs were available at the places where the chemicals were stored and used. But some chemicals were not with safety labels.

- The factory provided training on chemical safety to employees.

3.10 Worker health

- Drinking water was provided free of charge to workers.

- The workshop had ventilation equipment, lighting, temperature, noise and dust were appropriate.

- Employees understood the occupational hazard risks of their posts.

- All the employees who exposed to occupational hazardous agents have undergone occupational health examination.

3.11 Accommodation

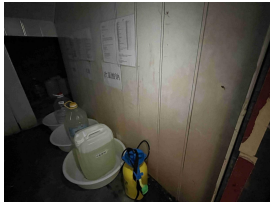
- The factory provided the accommodation, there were the separate bathroom with hot water in each room.

- The dormitory was equipped with private lockers that can be locked.

- The dormitory building was a separate building away from the workshop.
Evidence examined:
<ul style="list-style-type: none"> -Health and safety policy and procedures -Health and safety manual -Health and safety meeting minutes -Training records and certificates -Relevant licenses issued by the government agencies -Fire equipment maintenance records -Fire drill and evacuation records -The report of acceptance check for construction completion -The fire safety certificate -First aider certificates -Check records on fire equipment -Accident management procedure and blank injury log -PPE issuance list -Chemical list -Chemicals' MSDSs -Potable water testing report -The occupational health examination reports - The food service permit and health certificates -Interview with H&S manager -Interview with workers -Site tour
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has established health and safety policies and procedures; the factory management met workers quarterly.
Are the policies included in workers' manuals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The worker's manual did not include the EHS policy, but the factory has developed a specific occupational health and safety policy document.
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: The factory did not alter the structure of the building.
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: H&S policy and safety attention were informed to visitors. The factory provided masks and earplugs to the visitors.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no medical room provided for workers, no applicable legal requirement for the site.

<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Doctor or nurse is not necessary on site. There were two qualified first aiders easily accessing on site.</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Because employees lived near the factory, there is no need for transport.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory provided private lockers for each employee living in accommodation.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>H&S Risk assessments were conducted. E.g. Cutting workers was at risk of been cut, and the factory has provided PPE and trained them to reduce the risk.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Refer to 10B2 section.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The site had a copy of the banned substances list from its customer and met those requirements.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600236409	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
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 Regulation of Chemical Safety Usage in Workplace, Article 19, the unit shall, according to the danger of chemical, identify the containing, transportation, or storing equipment with specific color, label or sticker.	
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 safety labels were attached on the chemical containers for identification such as sodium hypochlorite stored in the warehouse.	
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 safety labels should be attached on the containers for all chemical used for identification.	
		 NC1-No safety labels.JPG

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600236410	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	336 - Canteen provided is insufficient to meet legal requirements and/or worker needs	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>Article 35 of the Food Safety Operation Code for Catering Services-2018, Requirements for Sample Retention 7.9 Retaining food samples 7.9.1 Schools (including child care institutions) canteens, nursing home canteens, medical institution canteens, central kitchens, collective dining and distribution units, construction site canteens (for more than 100 people) and catering service providers (for collective gatherings more than 100 People may provide meals for major events), and samples of finished food should be kept for each meal. Other catering service providers should take samples of finished food products according to the catering objects, the number of servants, the types of food, the ability to control food safety and relevant regulations. 7.9.2 The samples should be stored in special sealed containers after cleaning and sterilization according to varieties, and stored in special refrigeration equipment for more than 48 hours. The amount of sample retained for each variety should be able to meet the needs of inspection and testing, and not less than 125g. 7.9.3 The container holding the sample food shall be marked with the name, time (month, day, hour) of the sample food, or the mark corresponding to the sample storage record. 7.9.4 The designated person shall manage the retained sample food and record the retained sample situation. The recorded contents include the retained sample food name, retained sample time (month, day, hour).</p>	
ETI code	3.3 - Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.	
Explanation to the non	It was noted that the canteen did not retain food samples and keep relevant records.	

compliance		
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should establish food sample retention policy, set up a food sample retention cabinet in the canteen, and store food samples.	

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

4: Compliance Requirements

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory evaluated the risks of child labour for its sector and country, established the recruitment procedure on prohibiting child labour.
- 2.All employees should be only hired by the admin department of the factory but not by any other department.
- 3.Based on the management interview, the employees' IDs and photos should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.
- 4.The factory established child labour remediation procedure. No child labour was found during the audit.
- 5.The factory has established the protection procedures for young workers. During this audit, it was not found that the factory used young workers.
- 6.The personnel in charge of recruitment were trained and aware of the risks.
- 7.Based on documents review, there was no child labour in the factory. The youngest worker identified was 21 years old currently who was born on 3 Sep. 2002 and entered the factory on 12 Dec. 2022.

Evidence examined:

- 1.Recruitment procedure.
- 2.Child labour remediation procedure.
- 3.protection procedures for young workers.
- 4.Latest employee list.
- 5.Personnel files of all workers.
- 6.Interview with management and workers
- 7.Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	21
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: 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:

- 1.The factory established the wages and benefits management procedure, wages were paid on time accurately and according to legislation.
- 2.Local minimum wage standards: RMB 2200/month (RMB 12.64/hr) since 1 Oct. 2023, and RMB 1900/month (RMB 10.92/hr) before 1 Oct. 2023.
- 3.Payroll records from Oct. 2022 to Sep. 2023 were provided by the factory for checks. All workers were paid hourly wages, and the minimum wages were not less than RMB 3200 per month (RMB 18.39/hr) for normal working hours.
- 4.There were 70 employees (including 15 retired employees in the factory, only 52 (95%) employees were provided (Endowment, Unemployment, Maternity, Medical and Work-related Injury) Insurance.
- 5.The factory paid 150% and 200% of regular rate for regular overtime hours and weekend overtime hours respectively. No overtime work in statutory holidays.
- 6.All workers were paid on the 25th of every month by cash and each worker was given a pay slip.
7. Workers understood their wages, including clear contractual clauses, time recording systems and payslips.
- 8.The factory had provided annual leaves, breastfeeding leave and maternity leave and so on for workers according to the benefit policy.
- 9.The employees who violated the factory rules would be warned, gigned or fired, no monetary fine for disciplinary purpose.

Evidence examined:

- 1.Wages and benefits policy and procedure
- 2.Employee manual.
- 3.Local legal min wage documents.
- 4.Payroll records and corresponding attendance records;
- 5.Labour contracts for all workers.
- 6.Resignation records.
- 7.Production records;
- 8.Social insurance payment receipts
- 9.Worker interview and management interview

Any other comments:

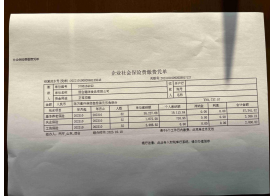
Nil

Summary Information

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

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 176.0	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: 1.0 Per Week: 13.0 Per Month: 47.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2200.0	Actual Per Day: 147.12 Per Week: 735.6 Per Month: 3200.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 55.17 Per Month: 1536.4	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples in Dec. 2022 (Random month) 10 samples in Apr. 2023 (Random month) 10 samples in Sep. 2023 (Recent month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 18.39/hr, RMB 735.6/week, RMB 3200/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: No bonus was found. 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, personal tax deductions were required by law.		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	Personal tax deductions		
Please list all deductions that have not been made.	Social insurance		

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: All relevant working hours are recorded.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a timely review when local minimum wage standard was adjusted.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee's interviews, it was confirmed that equal rates are being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600236411	
Clause	5 - Living Wages are Paid	
Issue Title	424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with the PRC Labour Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child-bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	The factory's social insurance coverage was inadequate. According to the social insurance payment documents and roster of October 2023 provided by the factory, there were 70 employees (including 15 retired employees in the factory, only 52 (95%) employees were provided (Endowment, Unemployment, Maternity, Medical and Work-related Injury) Insurance.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should ensure all	
		 <p><u>NC2-Social insurance coverage was inadequate.JPG</u></p>

	employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.	
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6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:
- 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current Systems:

- 1. All workers used electronic time recording machine to record their working hours.
- 2. The factory's attendance system accurately recorded employees' working hours, and employees could report to the personnel department if the time records are wrong.
- 3. The attendance records from 1 Oct. 2022 to the audit date (30 Oct. 2023) were provided and samplings were checked during this audit.
- 4. The working hour policy, labour contracts, etc. indicated that the regular working hours at the factory were 8 hours per day and 5 days per week.
- 5. The factory arranges the production in accordance with the clients' orders, so there was no fixed peak or non-peak month.
- 6. Based on facility rule and workers interview, one shift in the facility from 08:00 to 17:00 with 1.0 hour lunch break time from 12:00 to 13:00 (Monday to Saturday).
- 7. All the employees in workers interview stated that they worked overtime on voluntary basis.
- 8. The maximum weekly working hours were 53 hours.
- 9. The maximum overtime hours were 1 hour per working day, 13 hours per week and 47 hours per month.
- 10. All workers had one day or two days off in seven days.
- 11. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.
- 12. The factory established working hours and overtime management procedures that ensure working hours meet the international labour standards and national regulation. However, the employee's monthly overtime was still exceeding the legal limit.

Evidence examined:


- 1. Factory policy on working hours
- 2. Local and national laws
- 3. Workers contracts
- 4. Attendance records
- 5. Computerised time logging system
- 6. Production and quality records to cross check hours
- 7. Working hours and overtime management procedures
- 8. Management interview and worker interview

Any other comments:

Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	Electronic attendance system
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Dec. 2022 (Random): 1 hour per working day, 13 hours per week, 47 hours per month; Apr. 2023 (Random): 1 hour per working day, 13 hours per week, 45 hours per month; Sep. 2023 (Current): 1 hour per working day, 13 hours per week, 46 hours per month.
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: The labour contract stipulated that overtime work is voluntary, all the employees in workers interview stated that they worked overtime on voluntary basis.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<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%, 200% and 300% of normal average rate for overtime on weekdays, weekends and statutory holiday.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The factory paid 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days. No overtime work in statutory holidays.
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 checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other
Please give details	N/A
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input 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	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600236412	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with the China Labour Law article 41, the employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	Overtime hours exceeded the legal requirement of 36 hours per month. According to the attendance records of 3 sample months, it was noted that 10 sample workers worked 47 overtime hours in Dec. 2022, 10 sample workers worked 45 overtime hours in Apr. 2023, 10 sample workers worked 46 overtime hours in Sep. 2023.	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should ensure the overtimes of workers in accordance with the legal requirements and ETI code. The maximum	
		 NC3-Overtime work.JPG

	overtime hours did not exceed 3 hours a day and 36 hours a month.	
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7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The Anti-discrimination policy and social accountability manual has been established by the factory.
- 2.One senior manager was responsible for the management of this item of the code.
- 3.The factory provided the same pay to male/female employees, if they engaged for the same work.
- 4.All interviewees stated they were treated fair despite of their native place, sex, age and so on. And they did not experience and never heard of reporting issues of discrimination.
- 5.There was no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
- 6.No worker was required to do the examination of the hepatitis B virus and HIV.
- 7.There was no evidence of sexual harassment.
- 8.In case of discrimination, employees can complain to management through employee representative, suggestion box, telephone, email, etc.

Evidence examined:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 75.0%	Female: 25.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	20	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement
Please give details	N/A	
Professional Development		
What type of training and development are available for workers?	Workers were given H&S training, equipment operation training, first aid training, etc.	

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.All employees were recruited by the factory directly. No labor agency was used to hire workers.
- 2.There was no temporary worker, apprenticeship scheme or home worker was identified during this audit.
- 3.The factory signed labor contracts with all employees on the first day of employment and kept one copy of labor contract in the factory and issued one copy to each worker.
- 4.The factory established the recruitment procedure, workers understood their terms of employment.

Evidence examined:

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

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented	<input checked="" type="checkbox"/> Understood by workers
	<input checked="" type="checkbox"/> Same as actual conditions	

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Migrant Workers	
Type of work undertaken by migrant workers:	All types of works could be taken by migrant workers.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there any observation on this finding?	No
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 15 migrant workers in skilled, technical 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: N/A
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

8A - Sub-Contracting and Homeworking
[Summary of Findings]

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

1.The factory has established subcontractor management procedures, there was no home worker found during this audit.
2.If the client's products need to be subcontracted, the factory would inform the client, no inconsistent evidence was detected regarding this section.
3.Based on the site tour, the factory had all kinds of equipment to produce customers' products, all the production processes were on site.
4.By checking the production records, quality records, warehouse records and order information, no subcontractor was used by the factory.

Evidence examined:

- 1.List of approval supplier and sub-contractors
- 2.Production records
- 3.Quality records
- 4.Warehouse records
- 5.Customer orders
- 6.Interview with management and workers
- 7.Site tour

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

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

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.As per document review, management and workers interview, no employment agency was used by the factory.
- 2.The factory recruited the new workers directly by the advertisements, employees' recommendation and recruitment fair.
- 3.All workers in the factory were Chinese. The migrant workers only came from other provinces.
- 4.All workers had the proper legal rights to work in this region.
- 5.No agency staff or foreign worker was found during this audit.

Evidence examined:

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

Any other comments:

Nil

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

10B2: Compliance Requirements

- 10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.
- 10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory management had legally required environmental document: the construction project environmental impact assessment registration form.
2. The factory had established an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
3. There were not any fines/prosecutions for noncompliance to environmental regulations identified.
4. Based on observation on site, management interview and document review. Hazardous waste was disposed by a qualified unit.
5. The factory established environmental management procedures and an environmental management committee to implement the control measures on environment protection.
6. The factory commissioned a qualified agency to monitor its emissions of environmental pollutants, kept the monitoring reports for review. Monitoring data showed that the factory's pollutant discharge met the relevant national standards.

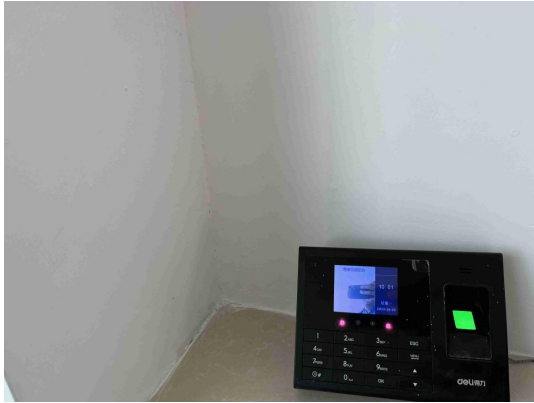
Evidence examined:

- 1.Environmental policy and procedures
- 2.Management interview
- 3.Worker interview
- 4.Hazardous waste entrust disposal contract and transfer records
- 5.Site tour
- 6.Energy bills
- 7.Water bills
8. The construction project environmental impact assessment registration form
9. Monitoring data

Any other comments:

Nil

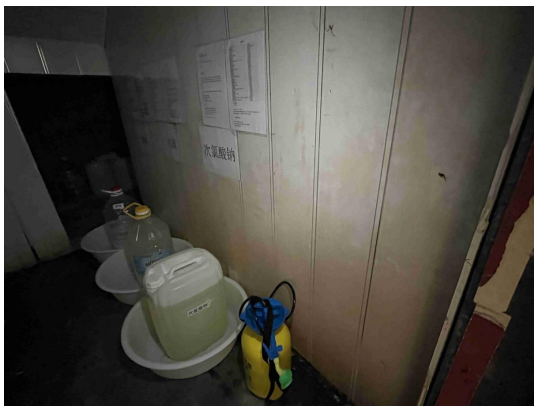
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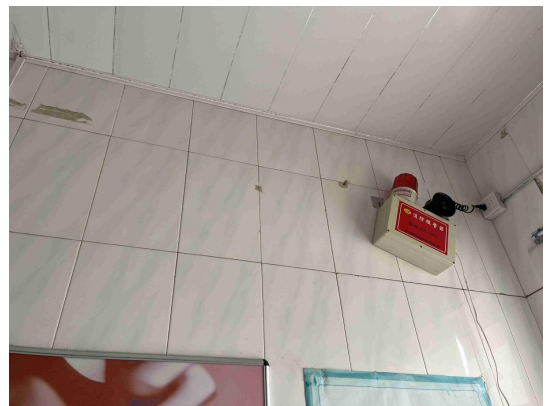
The working attendance machine.JPG



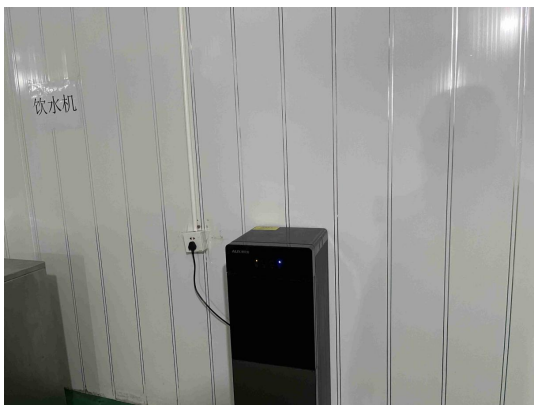
Production building.JPG



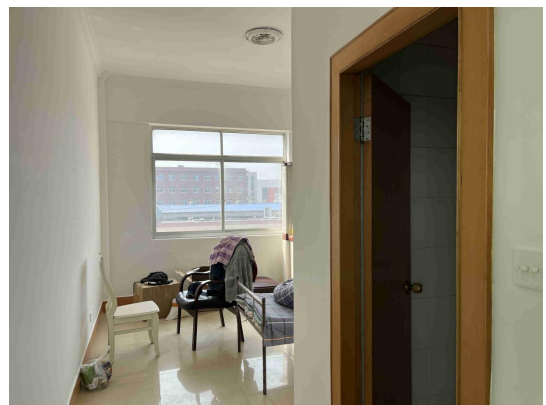
NC1-No safety labels.JPG



Fire alarm.JPG



Drink water.JPG



Dormitory room.JPG



Factory nameplate.JPG



Emergency light and Exit sign.JPG



Toilet.jpg



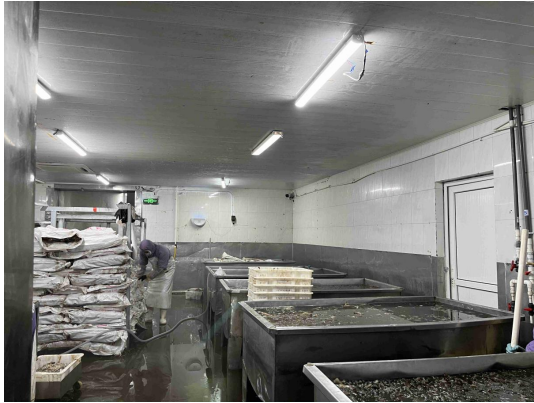
Office building.JPG



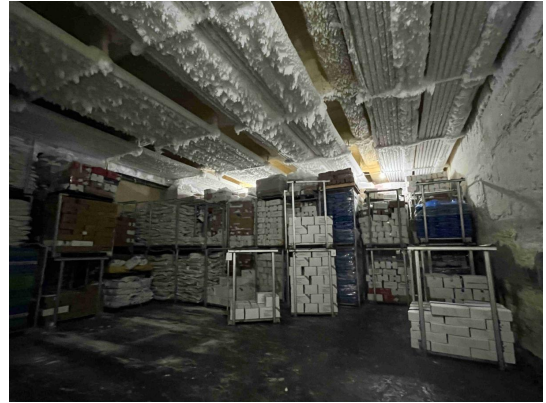
First aid kit.JPG



Accommodation building.JPG



Unfreezing workshop.JPG



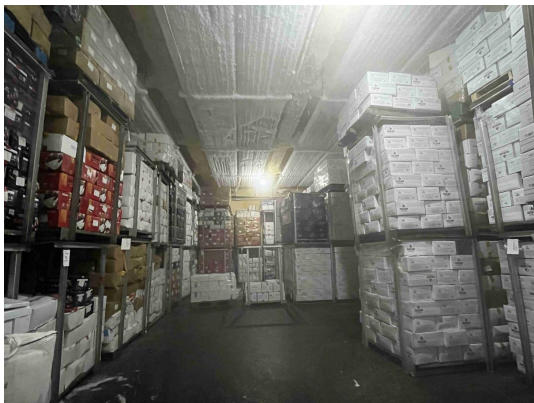
The material warehouse.JPG



Suggestion box.JPG



Cutting workshop.JPG



The finished goods warehouse.JPG



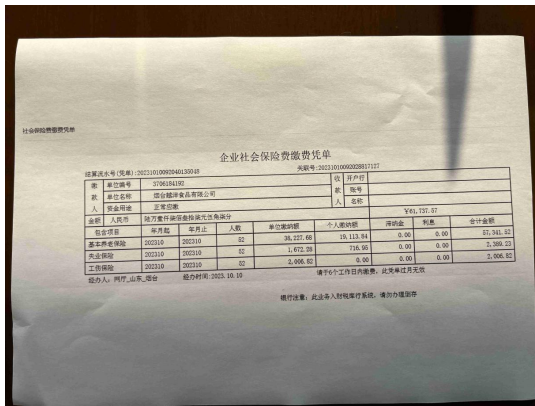
Canteen.JPG



Evacuation plan.JPG



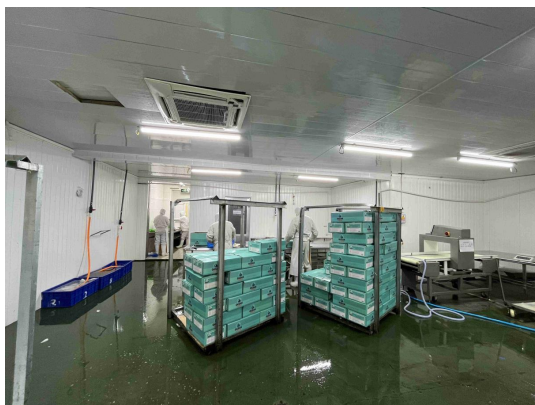
Gutting workshop.JPG



NC2-Social insurance coverage was inadequate.JPG



Business license.JPG



Packing workshop.JPG



Fire fighting facilities.JPG



Freezing workshop.JPG

烟台越洋食品有限公司2022年12月份考勤统计表

姓名	工号	出勤天数	正常工时数	加班工时数	周末时数	请假工时数	2022年12月01日至 2022年12月31日		
							迟到	早退	旷工
	A072	26	176	15	32	0	0	0	0
	A069	26	176	15	32	0	0	0	0
	A066	26	176	15	32	0	0	0	0
	A063	26	176	15	32	0	0	0	0
	A058	26	176	15	32	0	0	0	0
	A057	26	176	15	32	0	0	0	0
	A050	26	176	15	32	0	0	0	0
	A049	26	176	15	32	0	0	0	0
	A043	26	176	15	32	0	0	0	0
	A040	26	176	15	32	0	0	0	0

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NC3-Overtime work.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

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

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