



# Sedex Members Ethical Trade Audit Report

**Version 6.1**





Audit Details				
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC5000024270	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS1000028096	
Business name (Company name):	SiCuan Petrochemical YaShi Paper Co Ltd			
Site name:	SiCuan Petrochemical YaShi Paper Co Ltd			
Site address:	No. 912, Xiwang Road, Area A,Xinjin Industrial Park, Chengdu City, Sichuan Province chengdu 611430 CN	Country:	CN	
Site contact and job title:	Mr. Feng Hongming / QC manager			
Site phone:	028-61786868	Site e-mail:	zxl2192apcb@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-03-18			

Audit Company Name:
Eurofins China

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:	Tracy Zhang	APSCA Number:	21704105
Additional Auditors:			
Date of declaration:	2024-03-20		

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. Feng Hongming
Title:	QC manager
Date of declaration:	2024-03-20
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):  Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).  The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	



## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§1 §2	2	0	0	NC - ZAF600398951 NC - ZAF600398952
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>	6.1	§3	1	0	0	NC - ZAF600398953
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with Article 27 of the Regulation For Chemical Usage Safety in a Work Place: Staff and workers are entitled to receive: (1) Date and information describing specific characteristics, hazardous ingredients, and safety precaution marks for the chemicals to be used on the work premises, and instructions regarding safety techniques, etc. (2) Information concerning the probability of occurrence of harm against the safety and health of staff and workers caused by hazardous chemicals during their work process. (3) Training regarding safety techniques, including training with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles are to be in conformity with State stipulations.



§2	In accordance with the Regulation of Chemical Usage Safety in a Workplace, Article 14: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to be marked clearly with descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to affix a safety precautions mark on the new container. (2) The original safety precautions marked upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19: A unit shall, according to the danger of the chemical, identify the containing, transporting or storing of equipment with specific colors, labels or stickers.
§3	In accordance with the Labor Law of the People's Republic of China, Article 41: The employing unit may extend its work hours due to production or business requirements after consultation with the trade union and workers, but the extended work hours for a day shall generally not exceed 1 hour. If such an extension is called for due to special circumstances, the extended hours shall not exceed 3 hours a day provided that the health of workers is guaranteed. However, the total extension in a month shall not exceed 36 hours.



## Site Details

Site Details		
Company Name	SiCuan Petrochemical YaShi Paper Co Ltd	
Site Name	SiCuan Petrochemical YaShi Paper Co Ltd	
GPS location (if available)	GPS Address:	No. 912, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province
	Coordinates:	Latitude: N 30° 26 Longitude: E 103°46
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: 91510132587589335X, Valid from January 11st, 2012 to long term	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	The main products manufactured by the factory were paper products. The main production processes were listed as follows: folding, cutting, single packing, medium package, finished piece.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	SiChuan Petrochemical YaShi Paper Co.,Ltd was located at No. 912, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province. Actually, there were three locations. The location 1 address was: No. 912, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province / location 2 address was: No. 899, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province / location 3 address was: No. 999, Xingyuan 11 Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province respectively. The registered address on the business license was "No. 912, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province." All the three locations were covered. The location 1 occupied 1 block of 2-storey production building, 1 flat building used as warehouse and 1 block of 3-storey dormitory buildings; The location 2 occupied of 1 block of 1-storey production building (partially 3F); The location 3 occupied two flat production buildings, 1 block of 5-storey office building and 1 block of 3-storey dormitory building. The canteens were located on the 1F of dormitory buildings. Total 323 employees are currently working in the factory, which includes 265 production employees and 58 non-production employees. There were 10 migrant employees from other provinces in China. No foreign migrants.	



Structure and number of buildings	Building Name:		Building 1
	Floor	Description	Remark
	1F	folding, cutting, single packing, medium package, finished piece	Nil
	2F	raw material warehouse, finished good warehouse	Nil
	Building Name:		Building 2
	Floor	Description	Remark
	1F	finished good warehouse	Nil
	Building Name:		Building 3
	Floor	Description	Remark
	1F-3F	canteen, kitchen, dormitory	Nil
	Building Name:		Building 4
	Floor	Description	Remark
	1F	folding, cutting, single packing, medium package, finished piece	Nil
	partial 2F	canteen	no kitchen
	partial 3F	vacant	Nil
	Building Name:		Building 5
	Floor	Description	Remark
	1F	folding, cutting, single packing, medium package, finished piece, warehouse	Nil
	Building Name:		Building 6
	Floor	Description	Remark
	1F	folding, cutting, single packing, medium package, finished piece, warehouse	Nil
	Building Name:		Building 7
	Floor	Description	Remark
	1-3F	canteen, kitchen, dormitory	Nil



	<b>Building Name:</b>	Building 8	
	<b>Floor</b>	<b>Description</b>	<b>Remark</b>
	1-5F	office	Nil
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issue was found during the audit. Factory construction was in good conditions.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided construction project completion acceptance check of the building for review.		
Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season			
Process overview	The main products manufactured by the factory were paper products. The main production processes were listed as follows: folding, cutting, single package, medium package, finished piece. The main machines used by the factory were: 19 folding machines, 26 cutting machine, 10 single package machines, 23 medium package machines ect etc.		
What form of worker representation is there on site?	<input checked="" type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	SiChuan Petrochemical YaShi Paper Co.,Ltd union		
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: 25% workers lived in the dormitory.		
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		Day 2		Day 3	
	In	08:50	In	08:40	In	08:30
	Out	17:30	Out	17:30	Out	12:30
Audit type:	FULL_INITIAL					
Was the audit announced?	ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Mr. Feng Hongming / QC 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	Yes
B: Present at the audit?	Yes	Yes	Yes
C: Present at the closing meeting?	Yes	Yes	Yes
<i>Reason for absence at the opening meeting</i>			
<i>Reason for absence during the audit</i>			
<i>Reason for absence at the closing meeting</i>			



## 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	115	0	0	2	0	0	0	117
Worker numbers – female	143	0	0	5	0	0	0	148
Total	258	0	0	7	0	0	0	265
Number of Workers interviewed – male	12	0	0	1	0	0	0	13
Number of Workers interviewed – female	10	0	0	3	0	0	0	13
Total – interviewed sample size	22	0	0	4	0	0	0	26



Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No obvious peak and slack season.	
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:	5 groups of 4 workers total 20 workers.
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No special complaint from the interviewed workers.
What did the workers like the most about working at this site?	All workers said they were satisfied with manner of factory management.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	All workers said that they were satisfied with working condition and working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:



Attitude of workers:

The factory agreed auditor to conduct confidential interview workers who were selected freely without any influence by the factory. Interview was conducted in an independent room, except three workers on the site. The interviewees showed a cooperative attitude during the interview. All workers were satisfied with factory management, working hour and benefits in the factory. The information of interview was as below: For child labour issue, all interviewed workers said they were required to submit the effective personal ID cards for checking and interviewed by HR staff before entering the factory, all applicants should be over 16 years old. They were paid on time and had one day off in seven days.

Attitude of worker's committee/union reps:

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

Attitude of managers:

The factory representative was well present during the audit. They offered assistance to complete the audit including factory tour, document review, workers and management interview. And they claimed that they would carry out corrective actions against the findings in this audit to meet the requirements of the client.



**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 policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all appropriate parties, including its own suppliers.
2. The facility had a human rights policy, and it was posted at the bulletin board.
3. Based on documents review, QC manager was responsible for monitoring the implementation of Human rights in the facility.
4. The facility had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
5. Based on interviewed employees, all of employees were aware of human right.
6. All suppliers were required to sign the commitment to follow the human right when signing the business contract with the facility.
7. Employees were communicated on the human right on the orientation training and on the annual basis.
8. There was an internal audit team for quality who in addition taken on the role for internal audit of the social standards of the factory and they report to the HR and compliance officer jointly to report their findings.

**Evidence examined:**

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

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory had a policy statement that express commitment to respect human rights.



Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy statement was in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The QC manager is the designated person responsible for implementing standards.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The manager is the designated person responsible for implementation.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The effective data privacy procedure had posted in the workshop for worker's review.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year                      20.0% This year                        8.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	8.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year                      20.0% This year                        8.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	8.0%



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



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

**0B: Compliance Requirements**

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. Responsibility for meeting the legal and client code requirements is shared between the HR Supervisor and the Manager. Together they are responsible to the general manager for ensuring the standards are met.
2. Ensuring that licenses and business permissions are up to date is the responsibility of the HR department.
3. Overall responsibility for meeting the standards is taken by a manager.
4. There is an internal audit team for quality who in addition take on the role for internal audit of the social standards of the facility.
5. Implementation of any necessary changes is then given to the individual department heads after agreement with the QC Manager. This system is effective.
6. The facility had communicated ETI code of conduct to all employees on November 15, 2023.

**Evidence examined:**

1. Employee Handbook
2. Business license
3. Factory Manual contains details of Code and labor standards required by local law and customers.
4. Training records of social compliance on November 15, 2023.

**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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  No fines/prosecutions for non-compliance to any regulations for 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory established a policies and procedures that reduce the risk of forced labor, child labor, discrimination harassment & abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Factory had established written policy to prohibit forced labor, child labor, discrimination, harassment & abuse. Furthermore, factory established investigation and grievance procedures to solve if any above issue occurred.



Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers received training on the policy and procedure for forced labor, child labor, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management and workers received training on the policy and procedure of prohibit forced labor, child labor, discrimination, harassment & abuse once per year, with training records kept in place.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO9001:2015 (NO. 2652023Q00226R2M, from August 19, 2022 to August 18, 2025); ISO14001:2015 (NO. 2052023E00138R1M, from June 4, 2021 to June 3, 2024); ISO 45001 (No. 2052023S0012129R1M, from June 4, 2021 to June 3, 2024)
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There were 4 staffs in the HR department.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The QC manager is the designated person responsible for implementing standards concerning Human Rights
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established a policy to ensure all workers information confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established an effective procedure to ensure confidential information to keep confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The risk assessment document had been provided for review.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.



Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory had the policy / code posted on the wall that require labor standards of its own suppliers.
<b>Land Rights</b>	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The facility had provided the valid land rights licenses such as house property permits for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  During management interview, the facility was aware of local and national and international laws and requirements with regards to Land Rights.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  NA. The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  This was conducted by the local governmental authority and the owner purchased the lease or the land according to legal channels, overseen by company legal advisors.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  N/A. No such situation happened in facility
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  No any evidence was found during the audit.



## 1 - Freely chosen Employment

### [Summary of Findings]

#### 1: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. The facility had a policy which prohibited forced labor and this was available for review. Employees could freely resign after communication with management in advance 30 days notification.
2. The employees obtained their job by HR market.
3. There was a non-formalized application procedure which stated that workers must present their ID's for proof of age during the job interview and only copies must be kept in the personnel files and the original gave back to the workers.
4. No prison labor or forced labor was noted during the audit.
5. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
6. All the management staff and security guards were given respective job descriptions which clearly stated their daily duties in compliance with the general concepts of the local laws.
7. All selected employees confirmed that they worked at the facility voluntarily and no enforcement to work overtime and the overtime forms were signed by workers before overtime performance.
8. Employees were paid through bank transfer on 15th of each month. During the employment, the facility did not deduct or withhold any money from the employee's monthly salary. No deposit was required upon hiring.

#### Evidence examined:

1. The facility's policy to ensure employment is freely chosen was reviewed. The policy included the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded, or involuntary prison labor; and employees are free to leave their employer after reasonable notice.
2. Labor contracts with notice periods.
3. Training of forced, bonded or involuntary prison labor for all employees at the time employee, and refresh training was conducted once per year for all employees. The last training was on November 15th, 2023.
4. As per workers interview, it was noted that they are free to leave their working stations once their shifts end; all overtime workings were voluntary; and they were not required to pay any 'deposits' or leave their ID cards.

#### Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:



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



## 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 right of association or collective bargaining was not restricted. Policy on respecting freedom of association and collective bargaining was conducted.
2. The election of worker representatives was conducted regularly, which was on a fair and open situation.
3. Three worker representatives were responsible for all employees' suggestion collecting and reporting.
4. Workers were free to raise the suggestion through supervisors, telephone hotline, network, HR Department, suggestion box or report to boss directly. It could be verified per worker interviews.

#### Evidence examined:

1. Written freedom of association procedure was established in the factory, which recognized and respected the right of employees to exercise their lawful right of free association.
2. Social compliance management handbook stated that employees could be free to form worker committee. Nobody will be treated differently whether they are members of worker committee.
3. The record from the suggestion box and what relevant actions have been taken was reviewed. Facility management commented that they collect the suggestions from the suggestion box and review them in the management meeting once a month. If agreed, they would take the relevant actions to improve.
4. There were total 3 workers representative elected in the factory. The lasted meeting records between facility management and worker committee representatives (conducted on November 21, 2023) were provided to review.

#### Any other comments:

Nil

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



Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided activity place for workers to allow the employee committee to conduct related business.
Name of union and union representative, if applicable:	SiChuan Petrochemical YaShi Paper Co.,Ltd union / Ms. Wu
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	There was a union and a Worker's Representative Committee.
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: Yes, all workers are aware of their representative.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-11-21
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:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	There was a meeting held by the worker committee. Worker's representative participated in the grievance solution communication on October 12, 2023.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



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

#### 3: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. General Health and Safety management- QC manager had been assigned to be in charge of health, safety and environment issues in the facility.
2. The general housekeeping was clean and tidy. The cleaning team with all workers were in charge of cleaning and hygiene of whole workshop building.
3. Fire Safety- The fire drill was conducted for all employees every year. The fire drill was conducted on November 24, 2023 for all employees.
4. Warning signs of no smoking and no open flames were posted in the facility.
5. Through facility tour, the evacuation maps were posted at all exit doors of the workshop floor; Evacuation routes with arrows for direction were painted on the floor in all production sections; The firefighting equipment and system were inspected every year by local firefighting department.
6. Electrical safety- There were competent electricians at the site and their training certificates were available for review.
7. First aid kits were installed in the facility.
8. Machine safety- Cargo elevator and forklifts were in production building and factory had provided effective inspection certificates in the factory.
9. Chemical safety- All workers contacted to chemicals were provided the chemical safety training and done the emergency exercise of chemical leak edge.

#### Evidence examined:

1. Health and safety procedures, instructions and training records (conducted on January 22nd, 2024).
2. First aid training records, accident records, medical check-up records.
3. Firefighting and prevention project, fire drill and firefighting training records.
4. Drinking water test records (conducted on August 22nd, 2023).
5. Maintenance plan and records for machines, firefighting equipment, electricity.
6. Chemical handling, storage procedures
7. Chemical handling, storage documents
8. Machine inspection certificates
9. Health and safety policy
10. Health and safety manual
11. Health and safety committee minutes
12. Training records and certificates
13. Fire equipment maintenance records
14. Fire drill records (conducted on November 24th, 2023)
15. Building structure safety certificate
16. Interviews with workers and H&S committee members
17. Accident reports
18. Interviews with H&S supervisor

#### 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 had established the general Health & Safety and occupational Health & Safety policies and procedures, and they posted on the workshop for worker's review.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Per document review and worker interview, the EHS policies were found in employee manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was identified.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory informed visitors on H&S and provided for visitors with personal protective equipment.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such legal requirement. First aid boxes were available in the facility.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Trained first aider were available in the facility, the first aid procedure and 6 first aiders were post in the workshop.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility did not provide worker transport. Workers lived near the factory.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A locker was provided in each dormitory room.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted risk assessment on HSE part inducing the working hour arrangement and relevant action was taken to reduce the identified risk.



<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>The factory had established Environmental administrative manual and obtained Stationary Pollution Source Pollution Discharge Registration for review.</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 factory had collected its customer requirements on environmental standards. Per document review and management interview, no banned chemical was found during the audit.</p>




Non-Compliance		Evidence																													
<a href="#">[Back to findings summary]</a>																															
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600398951</td> </tr> <tr> <td>Clause</td> <td>3 - Working Conditions are Safe and Hygienic</td> </tr> <tr> <td>Issue Title</td> <td>230 - No material safety data sheet (MSDS) obtained / available</td> </tr> <tr> <td>Subcategory</td> <td>Chemicals</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New                             <input type="checkbox"/> Carried Over                         </td> </tr> <tr> <td>Root cause</td> <td> <input checked="" type="checkbox"/> Training                             <input type="checkbox"/> System  <input type="checkbox"/> Costs                             <input type="checkbox"/> Lack of workers  <input type="checkbox"/> Other                         </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td>In accordance with Article 27 of the Regulation For Chemical Usage Safety in a Work Place: Staff and workers are entitled to receive: (1) Date and information describing specific characteristics, hazardous ingredients, and safety precaution marks for the chemicals to be used on the work premises, and instructions regarding safety techniques, etc. (2) Information concerning the probability of occurrence of harm against the safety and health of staff and workers caused by hazardous chemicals during their work process. 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	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The facility is advised to provide a MSDS at the place of use and storage of its chemicals for the workers' acknowledgement.	



Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Status	OPEN	
Reference	ZAF600398952	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	232 - Non-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 Usage Safety in a Workplace, Article 14: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to be marked clearly with descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to affix a safety precautions mark on the new container. (2) The original safety precautions marked upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19: A unit shall, according to the danger of the chemical, identify the containing, transporting or storing of equipment with specific colors, labels or stickers.	
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 label had been attached to one chemical container for identification of the water-based glue used on 1F of production building in location 1.	
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	
		 <a href="#">chemical without label.jpg</a>



	<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	The facility is advised to attach labels to its chemical containers for identification.	



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

##### 4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

#### Current Systems and Evidence Examined

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

##### Current Systems:

1. The facility required all applicants to present their original ID cards, family books, residence records, national voting cards and birth certificates as age verification documents and maintain photocopy of records reviewed on their personnel files.

2. Each employment application contained date of birth, ID. number and the duly date signed and employee's signature.

3. During this audit, 26 employees were selected from different sections as the sample for interviews.

4. Based on facility tour, document review and employees' interviews, the youngest worker was 26 years old.

5. The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labor office, also did not arrange young workers to hazardous post.

Remark: In China, minimum age of worker is 16 years old. Workers between 16-18 are regarded as young labor.

##### Evidence examined:

Personnel files of all workers including copies of birth certificate, identity card, application letter- Latest list of employees- Anti-child labor policy- Recruitment procedure and announcement

##### Any other comments:

Nil

Legal age of employment:	18
Age of youngest worker found:	26
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, no worker under 18 was worked in the supplier.



## 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. During this audit, the factory provided 12 month' payrolls (from March 2023 to February 2024) for review. A sampling of these provided records for the months of January 2024 (recent month), October 2023 (random month) and August 2023 (random month) were reviewed (February 2024 was the most recent month, which included spring festival, so January 2024 was chosen as recent month). As per factory management and provided payrolls, wages for all workers were calculated on hourly basis and paid through bank transfer on 15th of each month. Based on provided payrolls and time attendance records, both workers' basic wages and overtime wages met legal requirements, the hourly wage was paid RMB 12.07, which met the local legal minimum wage standard of RMB 2100 per month as equivalent to RMB 12.07 per hour. Overtime wage was paid at 150%, 200% and 300% for overtime on normal working days, rest days and official public holidays respectively, and total paid wages was from RMB 4336.7 to RMB 5254.71 per month. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil. For social insurance, a total of 313 employees (total 323 employees, 10 new employees) were eligible to receive five types of social insurances in March 2024 according to the law. Through review of social insurance enrollment list and payroll records, all 313 employees were enrolled in pension insurance, occupational injury insurance and unemployment insurance, medical insurance and child-bearing insurance. A wage slip detailing: basic wage, normal working hours, overtime working hours, holiday working hours, normal working hours wage, overtime working hours wage, bonus, paid leave, total monthly wages, deduction and net wage was provided to each worker in local language.

2. All employees were 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.

3. The facility applies annual leaves per year for the whole employees, including office staff. Holidays are provided and paid to all employees in the year. The sick and maternity leave allowance is paid correctly to all employees in timely.

4. The severance allowance, wages and entitled benefits have been paid correctly to the resigned employees in compliance with local law.

5. A policy provided that the maternity leave was provided to all female employees with full pay.

### Evidence examined:

1. Employee handbook
2. Annual leave records
3. Employee files and labor contracts of selected employees.
4. Wages and benefits policy
5. Resigned workers payroll records
6. Past 12 months' payroll and past 12 months' to audit date time records
7. Social insurance and payment receipt

### Any other comments:

Nil



Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 1.0 Per Week: 14.0 Per Month: 52.0	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: 2100	Actual Per Day: 96.56 Per Week: 482.76 Per Month: 2100	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 Per Week: 0 Per Month: 0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples from January 2024 (most recent month), 26 samples from October 2023 (random month), 26 samples from August 2023 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Workers' minimum wage was RMB 12.07 per hour, which met the legal requirement RMB 12.07 per hour.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 100.0% of workforce earning minimum wage 0.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: job subsidy Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, individual income tax		



Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	Social insurance, individual income tax
Please list all deductions that have not been made.	N/A. Deductions are required by law have been made.
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: The factory provided all workers payroll records from March 2023 to February 2024 and attendance records from March 1, 2023 to audit date.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory reviewed the wages yearly refer to local bureau, workers opinion etc.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on worker interview, equal work had equal rates.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other



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

### 6: Compliance Requirements

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

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

1. Through employees' interview, overtime is voluntary.
2. The facility adopted electronic attendance system to record workers working hours. Working time policy and controlling procedure were communicated to the employees through regular trainings.
3. According to time records and worker interview basic working hours were 8 hours per day and a max 40 hour per week with 1 hour overtime per day on weekdays and 8-9 hours overtime on rest days. However, maximum monthly overtime hours were exceeded legal limit. As per samples, all employees' weekly hours are not exceeded 60 hours, the maximum weekly hours are 54.  
Based on the provided attendance records, employees had at least one day off a week.

### Evidence examined:

1. Factory policy on working hours
2. Local and national laws
3. Workers contracts
4. Sample pay slips with recorded hours all interviewed workers.
5. Attendance records from March 1, 2023 to audit date showing highest and lowest hours over sampled employees.
6. Time attendance system- Interview with workers and management

### Any other comments:

Nil

## Working hours' analysis

### Systems & Processes

What timekeeping systems are used?	The working time of workers were recorded by finger printing attendance system.
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:

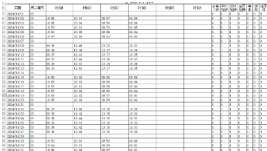
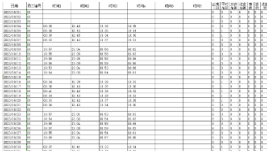
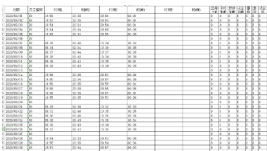


Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there 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
<b>Standard/Contracted Hours worked</b>	
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
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	1 hour per day, 14 hours per week, 46 hours per month in January 2024 (most recent month); 1 hour per day, 14 hours per week, 52 hours per month in October 2023 (random month); 1 hour per day, 14 hours per week, 47 hours per month in August 2023 (random month).
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on document review, the factory provided the attendance records from March 1, 2023 to audit date, the max weekly working hours were 54 hours.
Approximate percentage of total workers on highest overtime hours:	95.0%
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: Based on workers interview, they made sure their overtime working voluntary and contracts stated that overtime may be requested, but it is voluntary. Factory policy stated that overtime was voluntary.



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: Based on attendance records from March 1, 2023 to audit date and payrolls from March 2023 to February 2024 provided by the factory, the factory paid 150%, 200% and 300% of regular pay for overtime work on regular weekdays, rest days and statutory holiday.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% of workers were paid for overtime wages with normal wages on time and all workers were paid on 15th of each month through bank transfer.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements  <input checked="" type="checkbox"/> Other
Please give details	N/A-OT rate was above 125%. At least 150% of OT premium was paid.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	The maximum working hours per week were no more than 60 hours.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	The maximum working hours per week were 54 hours.
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																													
<a href="#">[Back to findings summary]</a>																															
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600398953</td></tr><tr><td>Clause</td><td>6 - Working Hours are not Excessive</td></tr><tr><td>Issue Title</td><td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td></tr><tr><td>Subcategory</td><td>Overtime</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with the Labor Law of the People's Republic of China, Article 41: The employing unit may extend its work hours due to production or business requirements after consultation with the trade union and workers, but the extended work hours for a day shall generally not exceed 1 hour. 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	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The facility is advised to reduce their overtime hours to ensure they are within the legal standard/client requirements.	



## 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. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement.
3. There was no evidence of sexual harassment.
4. No worker was required to do the examination of the hepatitis B virus and HIV.
5. There was an internal grievance process, and all interviewed workers were aware of the grievance channels in case they encountered any discrimination cases.
6. Policy on non-discrimination was available for review.
7. During the audit, all selected employees confirmed they were treated with respect and dignity.

#### Evidence examined:

1. The hiring and termination procedure
2. Leave application records and employee handbook
3. Labor contract
4. Termination records
5. Attendance and payroll records
6. Training records
7. Worker interview and management interview

#### Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0%	Female: 40.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	163 women working in sampling, testing, machine operation.	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring  <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation  <input type="checkbox"/> Termination or retirement  <input type="checkbox"/> Access to training  <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A. No evidence of discrimination found.	
Professional Development		
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.	



Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
---	---



## 8 - Regular Employment Is Provided [Summary of Findings]

### 8: Compliance Requirements

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

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

#### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

1. Based on reviewed documents and interviewed employees, all employees were recruited by the factory directly.
2. No labor agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
3. Employees were given an orientation training on the facility rules and regulations including labor issues, wages and benefits, working time, and health and safety.
4. All interviewed workers had received a signed labor contract.
5. All workers were not required to sign blank papers, resignation letter, etc.
6. Workers' personal files were provided for review.

### Evidence examined:

1. hiring and termination procedure
2. Personal files
3. Payroll records were provided for review
4. Labor contracts
5. Worker interview and management interview

### Any other comments:

Nil

## Responsible Recruitment

### All Workers

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

- |  |   |
|--|---|
| <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
<b>Migrant Workers</b>	
Type of work undertaken by migrant workers:	7 workers were domestic migrant from other province.
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-7 workers were domestic migrant workers and no such violation was observed.
Is there any observation on this finding?	No any observation.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>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.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. The facility did not have agency workers.
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: Not applicable. The facility did not have agency workers.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: Not applicable. The facility did not have agency workers.
<b>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.)</b>	



Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractors on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractors on site.



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

#### 8A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. All the production processes were present in the factory.
2. Cross check showed that no subcontractor or home working present in the factory.
3. The factory had established social accountability manual including sub-contracting control procedure.

#### Evidence examined:

1. Site tour
2. Materials in/out records
3. Interview with management and workers
4. Social accountability manual

#### Any other comments:

Nil

### Summary of sub-contracting – if applicable

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

### Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No



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

**9: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. Based on the documentation review, it was noted that the facility management had established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Interviewed workers confirmed that workers were aware of the disciplinary procedure.
2. There was an internal process for grievance which a grievance box was installed in the workshop, where workers could report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and most of workers were aware of it.
3. Through the facility management and employees' interview, it was noted that no case of abuse or discipline was happened in the facility.
4. The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.

**Evidence examined:**

1. relevant policy on non-harassment & abuse and related procedure.
2. Internal grievance procedure documentation and related records.
3. Training records
4. Worker interview and management interview

**Any other comments:**

Nil

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

☒ Yes ☐ No

Please give details:

Hotline and suggestion box had posted on the workshops.

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

The factory management had made the training to workers, posted the hotline and suggestion box in the workshops.

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

Hotline, suggestion box

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

☒ Worker ☐ Communities  
☐ Suppliers ☐ Other

Please provide grievance mechanism details

There is an internal process for grievance which a grievance box was installed in the workshop, where workers can report any grievances anonymously (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the worker in question. This system was installed, and workers knew about this.



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. Based on document review, management and worker interview, all workers in the factory were Chinese. 7 workers were migrated from other provinces.
2. All workers had the proper legal rights to work in this region.
3. The youngest worker on site was 26 years old.
4. Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
5. No agency staff or foreign worker was used by the factory.
6. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.

**Evidence examined:**

1. Hiring procedure
2. Personnel files and labor contracts
3. Employee handbook
4. Employee roster
5. Worker interview and management interview

**Any other comments:**

Nil



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

**10B4: Compliance Requirements**

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

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

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

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

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

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

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

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

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

**10B4: Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. Based on factory management interview, they knew local laws of environment.

2. The factory had established a procedure to protect the environment. The Fixed pollution source discharge registration form was provided for review.

3. The QC manager was appointed to responsible for the environment improvement.

4. The factory was aware of their end client's environmental standards and code requirements.

5. The factory was aware of the significant environmental impact of their site and its processes.

6. There was no any fines or prosecutions for noncompliance to environmental regulations.

7. The factory recorded the usage of the water and electric etc.

8. The factory had established a chemical control procedure and Production manager was appointment to responsible for it.

9. The internal audit on environment was conducted on December 22, 2023 and the factory took action for the continuous improvements in their environmental performance.

**Evidence examined:**

1. Environment protection policy

2. Environment policy

3. The records of the use and discharge of energy use, water use

4. Fixed pollution source discharge registration form

5. Environment Impact Monitoring report

**Any other comments:**

Nil



Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Feng Hongming / QC manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had conducted a risk assessment on the environmental impact.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO14001:2015 (NO. 2052023E00138R1M, from June 4, 2021 to June 3, 2024)
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory addressed the key impacts from their operations and their commitment to improvement.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on document review, the factory provided EIA related document for review.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: Based on the document review, there has a documentation process to record hazardous chemicals used in the manufacturing process.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted a system about reduction targets and water and energy usage, and wastes were monitored with reduction targets to reduce costs.



Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory provided recycled waste records for continuous improvement targets for review.	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory provided waste water and elections usage monitoring records for review.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  N/A. Factory did not have subcontractor.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	7527202	1881805
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	58689	14674
Water Discharged	Local govornment	Local govornment
Water Volume Discharged	46784	11454
Water Volume Recycled	0	0
Total waste produced	74.32	18.57
Total hazardous waste produced	0.3	0
Waste to recycling	53.64	15.56
Waste to landfill	5.93	1.53
Waste to other	14.45	1.45
Total Product Produced	47755.94 tons	11938.98 tons



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

#### 10C: Compliance Requirements

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

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

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

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

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

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

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

#### 10C: Guidance for Observations

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

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. The Business Ethics policy concerning bribery, corruption, or unethical Business Practice was established.
2. The facility was conducted a training for all employees to clearly understand about the Business Ethics policy.
3. The facility communicated the business Ethics policy to their supplier.
4. The facility has a transparent system in place for confidentially reporting and dealing with unethical Business Practices without fear of reprisals towards the reporter.
5. The supplier forbids all means of bribery, corruption or ethical issues in the operation of the supplier.
6. The facility assigned QC manager responsible for Business Practices, integrity/ ethical issues.
7. The facility issued the procedure to control and handle of grievances. There were 2 feedback channels that allow employees to report integrity/ ethical issues including suggestion box and directly.

#### Evidence examined:

1. Social accountability policy
2. Ethics training records
3. Procedure to control and handle of grievances

#### Any other comments:

Nil



Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers Please give details: The factory written the Business Ethics Policy on workers manual.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory written the Business Ethics Policy on workers manual.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: HR department examined each year and adjusted if needed.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory required the responsible managers of their suppliers to be trained on business ethics.



## Attachments



CH\_scyps\_1\_SiChuan Petrochemical YaShi Paper  
Co.,Ltd\_ASSMETA1\_March 18-20, 2024\_Signed  
CAPR.pdf



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