



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000015275	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000016861	
Business name (Company name):	Longkou Bohai Paper Co Ltd			
Site name:	Longkou Bohai Paper Co Ltd			
Site address:	Huangheyang Village, Zhuyouguan Town, Longkou City, Yantai City, Shandong Province Yantai 265712 CN	Country:	CN	
Site contact and job title:	Mr. Li / Manager			
Site phone:	13176904052	Site e-mail:	LKBHYZ@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-11-15			

Audit Company Name:
BCI Compliance Group Limited

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Freyr Han	APSCA Number:	21702991
Additional Auditors:			
Date of declaration:	2023-11-16		

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. Li
Title:	Manager
Date of declaration:	2023-11-16
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<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 3.1 3.3 3.3	§1 §2 §3	6	0	0	NC - 69caf632-e723-4b6e-b21f-e00ea1409d3b NC - 2fe7d4f0-c5d2-46f2-9317-f08a101b8886 NC - 4fd8d9a0-a035-46e9-8f6a-3fac2198f290 NC - 52460fdc-fe27-453d-8c94-93381948c907 NC - c6728fd2-eab4-4d24-88b0-7bc42aef7be1 NC - 46783849-9c63-4488-a057-61cf25678de4
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1	§4	1	0	0	NC - 260d271b-40a6-49ba-8012-617053dba554
<u>6 - Working hours are not excessive</u>	6.1	§5	1	0	0	NC - f8233c68-903f-44e4-b50b-23ee7543a9e9
<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	Article 25 of Safety Monitoring Regulation of Special Equipment, The special equipments should be registered to local special equipment safety monitoring authority before putting in use or within 30 days since put in use. The registration symbol should be posted to visible position of the special equipment.

§2	Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.
§3	Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Article 36 With regard to the workers who engage in operation exposed to occupational disease hazards, the employer shall, in accordance with the regulations of the public health administration department under the State Council, make arrangements for pre-service, in-service and job leaving occupational health checkups and truthfully inform the workers of the results of the checkups. The expenses for occupational health checkups shall be borne by the employer. No employer may assign to workers who have not received pre-service occupational health check-ups any jobs exposed to occupational disease hazards, nor assign to workers forbidden jobs. Workers whose signs of job-related injuries are shown by occupational health checkups shall be transferred from their original posts and proper arrangements shall be made for them. With regard to workers who have not received occupational health checkups before leaving their jobs, the employer may not cancel or terminate the labor contracts concluded with them. Occupational health checkups shall be undertaken by the medical and health institutions approved by the public health administration departments of the people's government at or above the provincial level.
§4	Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.
§5	Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

Site Details

Site Details		
Company Name	Longkou Bohai Paper Co Ltd	
Site Name	Longkou Bohai Paper Co Ltd	
GPS location (if available)	GPS Address:	Huangheying Village, Zhuyouguan Town, Longkou City, Yantai City, Shandong Province, China.
	Coordinates:	N 37°44'39" E 120°30'38"
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91370681169416976P, Valid date: from Jun. 15, 2006 to Jun. 14, 2036.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Main product: Copy paper, printing paper, silk paper, kraft paper, packaging paper. Main Process: Pulping, papermaking, cutting and packing.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Longkou Bohai Paper Co., Ltd was located at Huangheying Village, Zhuyouguan Town, Longkou City, Yantai City, Shandong Province, China. 7 buildings were used by the factory, including one 2-storey production building, two 1-storey production buildings, two 1-storey warehouse buildings, one 2-storey office building and one 3-storey office building. The buildings were built in year 2007 with total floor area of 12819.88 square meters. Dormitory and canteen were not provided.	

Structure and number of buildings	Building Name:		Building No. 1	
	Floor	Description	Remark	
	Floor 1	Pulping Workshop	Nil	
	Floor 2	Pulping workshop	Nil	
	Building Name:		Building No. 2	
	Floor	Description	Remark	
	Floor 1	papermaking workshop	Nil	
	Building Name:		Building No. 3	
	Floor	Description	Remark	
	Floor 1	cutting and packing workshop	Nil	
	Building Name:		Building No. 4	
	Floor	Description	Remark	
	Floor 1	Material warehouse	Nil	
	Building Name:		Building No. 5	
	Floor	Description	Remark	
	Floor 1	Products warehouse	Nil	
	Building Name:		Building No. 6	
	Floor	Description	Remark	
	Floor 1	Office	Nil	
	Floor 2	Office	Idle	
	Building Name:		Building No. 7	
	Floor	Description	Remark	
	Floor 1	office	Nil	
	Floor 2	office	Nil	
	Floor 3	office	Nil	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The buildings were in good condition.			
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided completion acceptance and fire acceptance for review.			

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	Main product: Copy paper, printing paper, silk paper, kraft paper, packaging paper. Main Process: Pulping, papermaking, cutting and packing. Main Equipments: shredders, Pulping machines, papermaking lines, cutting machines, forklift. The factory had 2 production lines.	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	Worker committee of Longkou Bohai Paper Co., Ltd composed of 2 worker representatives. The worker representatives were Mr. Zhang and Ms. Wang.	
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Dormitory was not provided.	

Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	13:00	In	09:00
	Out	17:00	Out	13:00
Audit type:	FULL_INITIAL			
Was the audit announced?	SEMI_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. Li / Manager			
Is further information available	No			

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	40	0	0	1	0	0	0	41
Worker numbers – female	30	0	0	1	0	0	0	31
Total	70	0	0	2	0	0	0	72
Number of Workers interviewed – male	6	0	0	1	0	0	0	7
Number of Workers interviewed – female	2	0	0	1	0	0	0	3
Total – interviewed sample size	8	0	0	2	0	0	0	10

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No obvious peak season.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	100%
	Salaried:	0%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	Nil

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group, 4 workers in the group.
Number of individual interviews:	Male: 5 Female: 1
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 complaint was raised.
What did the workers like the most about working at this site?	They were always paid on time.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Satisfied with the arrangement.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

10 workers were randomly selected from different departments for private interview. During the whole process, the interviewed workers were positive toward the management and the company. No hint of coaching was noted. They had fire drills conducted in the factory. They had drinking water and first aid kits in workshops. They were satisfied with the good working condition, timely payment provided by the factory, and factory treated them with respect. According to the workers interview, no any exceptions were found. No harsh or inhumane implementation and discrimination was reported during this audit.

Attitude of worker's committee/union reps:

The worker representative was interviewed during the audit. She stated that she was elected by employees. And the factory management held the meeting with she for collecting employees' comment every 3 months. During daily work, she collected the comment on the factory from employees. She provided the positive information on the factory to auditor during audit.

Attitude of managers:

The factory management was positive towards auditors, they provided relevant documents to auditor for review, showed auditor the production process during factory tour, and provided auditor an independent room for workers interview. At the closing meeting, auditor provided the factory representative a general overview, and explained all findings to them. Meantime, auditor made the corrective suggestions corresponding to findings to the factory representatives.

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:

-According to the documents review the facility has established a system (policy and procedure) to endorse at the highest level, covering regular social compliance issue only, and ensure it is communicated to all appropriate parties, including its own suppliers.
-The top managements including general manager, H&S supervisor, executive staffs were appointed to response to implement the standards. Mr. Li/ Manager, who was the person responsible for implementing standards concerning employee universal rights.
-The factory defined some stakeholders including local government functional department to keep good awareness in compliance and other social issues.
-The factory encouraged the workers and staff to report any issues related to employee universal rights by name or anonymous.

Evidence examined:

1. The CSR (Corporation Social Responsibilities) Manual was reviewed. It stipulates complying with ETI Code, written policies and procedure required cascade the ETI code to its significant partner or suppliers.
2. The procedure and list of main stakeholders including local government functional department (e.g. Tax, social insurance, safety in production workplace), local society, etc.
3. Management interview and records reviewed showed the factory implemented the supplier monitoring annually, which could secure it to find the risk in employee universal right at very first time.
4. The factory had communicated the ETI code for all significant suppliers and established the supplier assessment policy, and the assessment records had provided for review.
5. The company used the suggestion box as the confidential report channel in the written procedures.

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory showed one commitment on the employee universal rights issued by general manager as well as owner with the factory chop.

Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All the policies were included in the 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 factory set up a committee led by general manager to implement the standards. Name: Mr. Li, Job title: Manager
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The procedure required and encouraged the workers or stakeholders to report the any issue related to employee universal rights with full protection.
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 policy and procedures concerning to the privacy protection was provided for review. The HR department did not have any improper practices according to this requirement.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 7.2% This year 5.3%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	3.6%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 0.77% This year 0.62%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	0.54%

Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No work-related injury in last 12 months.	
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:

- According to the documents review the facility has established a system to deliver compliance to the code which includes child labour prohibition system and overtime work control system.
- All the interviewees understood the basic components of the code such as do not use child labour and the control of working hours.
- The appointment letter of management representative for management of ETI compliance is also provided for review.
- As per the provided photo from the facility's supplier, the facility had provided the ETI code to its supplier and requested them to post in their workshops. And auditor crosschecked attendance records provided by management with related production records collected from workshops and interview 10 sample workers. No inconsistency was noted.

Evidence examined:

1. Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee interview.
4. The factory had communicated the ETI code for all the suppliers and established the supplier assessment policy, and the assessment records had provided for review.

Any other comments:

Nil

Management Systems

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

☐ Yes ☒ No

Please give details:

No such record was noted in any public information channel as long as auditor fully acknowledge. And this was confirmed through employees and management interview.

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

☒ Yes ☐ No

Please give details:

The factory established policies and procedures on forced labour, child labour, discrimination, harassment & abuse and no negative evidence was found.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
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: Based on worker and management interview, proper trainings were provided.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers. The related record was provided for review.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such certifications.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Ms. Wang was in charge of HR in the factory.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Zhang was responsible for implement of the code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The information and privacy protection policy was available for review.
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 information and privacy protection procedure was available for review.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the risk assessment including procedure and assessment records.
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 assessed the risks related all aspects of the ETI code, e.g. Working hours, wages & benefits, harassment, discrimination, ethics, H&S, environment issue. -The control methods were advised and implemented if the middle or high risks were identified.

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 supplier management procedure with requirements of ETI code.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the building property title certificate and relevant reports (fire safety, construction safety and environment).
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The land in China mainland was belonged to State owned. Anybody, no matter the character was, could only rent for a period.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The management stated they paid for usage for 50 years.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This area was provided by local government as industry area.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All the process of building was legal according to the interview and document.

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:

- Based on interview with the management & workers and document review, it was identified that the factory had established the employment policies & program.
- Factory established human resources policies given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work.
- The employees obtained their job by HR market or by friend's recommendation.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no bonded or involuntary prison labor identified.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.

Evidence examined:

- The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review.
- Personnel files
- Contracts to establish notice periods.
- Management interview and employee interview.
- Facility tour showed no sign of employees being under pressure

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Workers are free to enter and leave.

<p>If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The factory employed Chinese only, which complied with local legal requirements and international codes.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Workers can leave the site freely.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>Risk assessments were conducted.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory set up the policy and procedure to avoid any form of force labour in its supply chain.</p>

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

[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- There is no union in the factory.
- By workers interview, it was noted that workers could raise their complaint to the supervisor directly or through worker representatives, they elected 2 workers as their representatives at the date of Mar. 14, 2023.

Evidence examined:

- Complaint& handling record.
- Freedom of Association policies

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker committee of Longkou Bohai Paper Co., Ltd composed of 2 worker representatives. The worker representatives were Mr. Zhang and Ms. Wang.	
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 talk to management directly.	
Is there evidence of free elections?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a room in the office section was specific for that purpose.
Name of union and union representative, if applicable:	No union in factory.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	No union in the factory. Worker representative was taking the responsibility to consult.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The worker representatives were Mr. Zhang and Ms. Wang.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-14
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Confirmed with worker representative interview and worker interview, workers could complain to the representative directly or asked her for help when needed. The last meeting was held on Nov. 8, 2023, the topic was mainly about fire safety. The meeting lasted 30 minutes. After the meeting, the factory conducted training on fire safety according to the plan.
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.

- Mr. Li was appointed as Health & Safety Manager for the site.
- Potable water was freely available in all areas.
- Sufficient toilets were available at all times to workers, but the toilets were not clean.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.

2. Fire Safety

- There were at least 2 exits from each work area and were clearly marked.
- Fire fighting equipment was adequate and checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all workers interviewed.
- Fire drill was organized and recorded twice per year.

3. Electrical and machine safety

- All electrical equipment was maintained in good condition.

4. Medical services

- There were adequate first aid kits in each production area.
- There were 2 first aid personnel trained by local Red Cross.

5. Chemical Safety

- Chemicals like lubrication oil, sodium hydroxide were used during production.
- Chemicals were well stored and MSDS was posted.

Evidence examined:


- Facility tour
- Management interview and employee interview
- Health and safety policy
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- First aid certificate on Mar. 8, 2023.
- Construction Completion certificate on Mar. 6, 2007.
- Fire acceptance certificate on Dec. 17, 2007.
- Accident reports
- Potable water testing certificates
- Interviews with H&S manager
- Interviews with workers and H&S committee members

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 set up the policy and procedures and provided training including for those new workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The employee manual, which was delivered to every workers covered general requirements of the H&S requirements.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: According to the documents, the construction structure of the factory is consistent with the completion acceptance.
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 the occupational hazard factors in each area and provided PPE to auditor.
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 medical room, but the first aid kits were provided in all workshops for worker.
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: The factory had 2 qualified first aid personnel.
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: The factory did not provide transport for workers.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Dormitory was not provided.
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 performed risk assessment for the workplace and based on different people.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided all inspection report or legal certificate for review.


Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory meeting the local law and customer requirements.
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Explanation to the non compliance	It was noted that occupational health check was not provided to workers that exposed to hazardous factors, such as Pulping and paper making workers. 审核发现工厂没有为接触职业危害因素的工人（如制浆和造纸车间的工人）提供职业病体检。	
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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:

- Based on documents checking, the factory kept valid and sufficient age information such as copies of ID card. And personal files showed that no child labor or young worker was identified in the factory.
- Based on document review and workers interview, no child labor or young worker was found in the factory. The youngest worker on site was 29 years old who was born on Mar. 16, 1994 and joined the factory on Jul. 21, 2017.
- Based on workers interview, HR staff interviewed with them and checked their ID cards.
- Based on on-site observation, there was no child labor found.

Evidence examined:

- Facility tour
- Management interview and employee interview.
- The employee's personnel files were provided for review. Each file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
- The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labor under the age of 16 years old.

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	29
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No worker under 18.

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:

- Legal minimum wage was RMB 2,100 per month (RMB 12.07 per hour) before Oct. 1, 2023 and RMB 2,200 per month (RMB 12.64 per hour) since Oct. 1, 2023.
- All workers' wages were calculated by hourly rate.
- All workers are 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.
- The factory management compensated all workers at a legal mandated rate for their overtime hours, respectively 150%, 200% and 300% of regular pay for overtime work on working days, rest days and statutory holidays. Based on document review and worker interview, Workers didn't work on statutory holidays.
- All workers were paid before 25th of each month by cash and each worker was given a pay slip and signed for their wages.

Evidence examined:

- Payroll records from Oct. 2022 to Sep. 2023.
- Attendance records from Oct. 2022 to the audit date.
- Production records: inspection records and material delivery records.
- Management and Employee interviews
- Recent 12 months' social insurance receipts
- Working hour policy
- Wages policy
- Leave management policy

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: null	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 15.0 Per Month: 68.5	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: 96.6 Per Week: 482.8 Per Month: 2100.0	Actual Per Day: 128.7 Per Week: 643.7 Per Month: 2800.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 24.15 Per Week: 354.2 Per Month: 1030.4	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Dec. 2022 (Random month) 10 samples from May 2023 (Random month) 10 samples from Sep. 2023 (Current month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 16.1 per hour, RMB 2800 per month		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: No bonus was provided. 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 and personal income tax.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Personal income tax.		
Please list all deductions that have not been made.	Social insurance.		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The workers stated the working time in factory would be paid according to law.
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 periodically reviewed the wages include consideration to basic needs of workers plus discretionary income.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The employees were paid based on their working hours, employees' skills and working experience in the factory. Equal rates were paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence																								
[Back to findings summary]																										
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>260d271b-40a6-49ba-8012-617053dba554</td></tr><tr><td>Clause</td><td>5 - Living Wages are Paid</td></tr><tr><td>Issue Title</td><td>423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic</td></tr><tr><td>Subcategory</td><td>Benefits & Insurance</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" 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>Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>Based on document review and management interview, it was noted that there were 78 employees in the factory, 7 of them had reached retire age. The factory provided basic endowment insurance, unemployment insurance, maternity insurance, work related injury insurance and medical insurance for 56 out of 71 (78.9%) eligible employees. Remark: The factory provided commercial accident insurance for all the employees who were not covered by social insurance, the insurance was valid from Jul. 12, 2023 to Jul. 11, 2024. 根据文件审核及管理层访谈，工厂共有78名员工，其中7人已达到退休年龄，工厂为符合参保条件的71名员工中的56人（78.9%）缴纳了养老、医疗、生育、工伤和失业保险。备注：工厂为所有没有社保的员工购买了商业意外险，保险有效期自2023年7月12日</td></tr></table>			Non-Compliance		Status	OPEN	Reference	260d271b-40a6-49ba-8012-617053dba554	Clause	5 - Living Wages are Paid	Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Subcategory	Benefits & Insurance	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.	ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	Explanation to the non compliance	Based on document review and management interview, it was noted that there were 78 employees in the factory, 7 of them had reached retire age. The factory provided basic endowment insurance, unemployment insurance, maternity insurance, work related injury insurance and medical insurance for 56 out of 71 (78.9%) eligible employees. Remark: The factory provided commercial accident insurance for all the employees who were not covered by social insurance, the insurance was valid from Jul. 12, 2023 to Jul. 11, 2024. 根据文件审核及管理层访谈，工厂共有78名员工，其中7人已达到退休年龄，工厂为符合参保条件的71名员工中的56人（78.9%）缴纳了养老、医疗、生育、工伤和失业保险。备注：工厂为所有没有社保的员工购买了商业意外险，保险有效期自2023年7月12日
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		 <u>Insufficient Social Insurance Coverage-2.jpg</u>																								
		 <u>Insufficient Social Insurance Coverage-1.jpg</u>																								

	至2024年7月11日。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should provide social insurance for all employees as per legal requirements. 建议工厂按照法律要求为所有员工提供社会保险。	

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- According to workers interview and time records, there was 1 shift for the employees, the working hours were from 7:30 to 11:30, 12:30 to 16:30. If overtime is needed, the overtime hours were started from 16:30, maximum 2 hours of overtime per day.
- Working hours was recorded by Fingerprint Scanning system; the factory provided attendance records from Oct. 2022 to the audit day.
- Based on the working time records, all employees had one day off in every 7 days.
- Based on the working time records, the maximum weekly working hours was 55 hours.

Evidence examined:

- Employee interview
- Management interview
- Factory policy on working hours
- Time cards records
- Sample pay slips with recorded hours all workers interviewed
- Quality and production records to cross check hours

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used? Fingerprint Scanning system

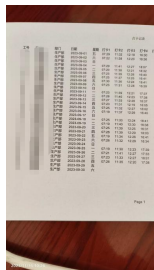
Is sample size same as in wages section? ☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.) ☒ Yes ☐ No

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	The maximum overtimes hours were as follows: 10 samples from Dec. 2022 (random month): 2 hours overtime per day, 15 hours overtime per week, 68.5 hours overtime per month; 10 samples from May 2023 (random month): 2 hours overtime per day, 15 hours overtime per week, 61.5 hours overtime per month; 10 samples from Sep. 2023 (current month): 2 hours overtime per day, 15 hours overtime per week, 54.5 hours overtime per month;
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum weekly working hours were 55h.
Approximate percentage of total workers on highest overtime hours:	90.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: The procedure and policy stated the workers had right to work voluntary. No restrict clause was found in any document read onsite, e.g. Labour contracts, procedures, regulations, and manual.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of regular wage for weekday overtime; 200% of regular wage for rest day overtime; workers didn't work on statutory holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers get paid in every month.
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	NA, No such conditions.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	NA. The maximum weekly working hour was 55 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Non-Compliance		Evidence																								
[Back to findings summary]																										
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		<div></div> <p><u>Excessive Overtime Hours.jpg</u></p>																								

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Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保员工的加班时间符合法律要求。	

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:

- According to management interview and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical 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.
- No discrimination was found during the audit.

Evidence examined:

-The hiring and termination procedure, leave application records and worker handbook.
- Payrolls records
-Attendance records
-Termination records
-Training records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 57.0%Female: 43.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> 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	During the auditing, the auditor found no evidence of discrimination.		
Professional Development			
What type of training and development are available for workers?	Skills training was provided to workers and if skilled workers were assigned to sampling workshop, which could bring them more income.		
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. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
2. Work performed was based on recognized employment relationship established through national law and practice.
3. The factory signs labour contracts with workers within 30 days after employment. According to worker interview, they had the copies of labour contracts.
4. No homework were arranged; no apprenticeship schemes were practiced in this factory.

Evidence examined:

1. Employee manual
2. Hiring and termination procedure
3. Labour contract
4. Personal files
5. Payroll records
6. Management and workers interview
7. Factory tour

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
Migrant Workers	
Type of work undertaken by migrant workers:	No foreign workers in the factory. 2 migrant worker came from other province of China was found in the facility, they were in packing department.
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: No deduction was made.
Is there any observation on this finding?	No such finding.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	No agency was used.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency was used.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency was used.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	

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

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

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

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

Evidence examined:

- 1.Production records
- 2.Quality records.
- 3.Payroll records were provided for review.
- 4.Goods coming out and in records

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:

-According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory. According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

Evidence examined:

- Factory regulations, hiring procedures and anti-harassment training records were checked.
- Management interview and employee interview.
- The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through hot line such as Labor bureau official with phone number 12333 or used public service number in Wechat.
If yes, are workers aware of these channels and have access? Please give details.	Based on interview with workers, they understood how to use the channel if necessary.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	As per interview, workers would use hotline and website to report to 3rd party if any.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	If the workers have any question or need help, they can through the suggestion box or talking direct to their manager.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. No employment agency was used by the factory.
2. The factory recruited the new workers by the advertisements or the workers' commendation.
3. All workers would be reviewed and validated the original documentation before they ployed.

Evidence examined:

1. Labour contract
2. Personnel files
3. Hiring procedure
4. Worker handbook
5. Management and workers interview

Any other comments:

Nil

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

10B2: Compliance Requirements

10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory obtained the registration form of environmental impacts of the construction, the approval document of environment impact assessment, and the approval document for on-site inspection and acceptance of completed environmental protection facilities.
- The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law.
- The solid waste was disposed appropriately.
- The factory management aware of the environmental standards/code requirements and had a system in place to monitor their performance against these.
- The factory established the environment policy and procedures, which was communicated with their suppliers.
- The factory had the continuous improvement plan for improve their environmental performance. The factory recorded and reviewed the use and discharge of natural resources.
- The factory nominated Mr. Li responsible for co-coordinating the site's efforts to improve environmental performance.

Evidence examined:

- Environmental policy
- Registration form of environmental impacts of the construction
- Approval document of environment impact assessment
- Approval document for on-site inspection and acceptance of completed environmental protection facilities
- Annual monitoring report for waste air and water
- Training records on environment
- Waste disposed records
- Continuous improvement plan
- Records of the use and discharge of natural resources

Any other comments:

Nil

Attachments



BCI-CSR-23-480-龙口市渤海纸业有限公司Longkou
Bohai Paper Co.,Ltd-Nov.15-16,2023-2P-Photo
Form.pdf



BCI-CSR-23-480-龙口市渤海纸业有限公司Longkou
Bohai Paper Co.,Ltd-Nov.15-16,2023-2P-Signed
CAPR.pdf



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