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Sainsbury's Ethical Audit

Applicant:	Sainsbury's Asia Ltd Suite 2 ,8/F , Tower 6, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui,Kowloon, Hong Kong
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Audit Details	
REPORT #:	GUZ-2794-01
Date of Audit:	19 th December 2006
Audit Type:	Initial
Previous audit date:	N/A
Previous audit type:	Initial <input type="checkbox"/> Follow-Up <input type="checkbox"/> (1,2,3...) Re-audit <input type="checkbox"/>
Report Date:	25 th December 2006
UK Vendor Name:	--
Hong Kong/China Supplier Name:	BBQ Master Hong Kong Limited.
Auditor Name(s):	Steven Fu and Richard Dai
Report Written by:	Steven Fu
Report Reviewed by:	Rainfall Wu
Facility Country:	China
Facility Name:	Zhen Hua Fa Household Manufacturing Ltd.
Facility Contact:	Mr. Guan Quan Hui
Contact Title:	Manager
Facility Address	No.1, Lekou Industrial Development Zone, Jiujiang Town, Nanhai District, Foshan City, Guangdong Province, China
Facility Phone:	86-757-86587283
Facility Fax:	86-757-86587583
Facility E-Mail:	zhenhuafa@21.cn.com

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The Social Audit process requires that information be gathered and considered from Records Review, Worker Interviews, Management Interviews & Visual Observation. More information is gathered during the Social Audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited facility prior, during or post audit are in full compliance with the code being audited against. The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

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Audit Scope Details

Please select the Code & Additional Requirements that were audited against during this audit	
ETI Base Code	<input checked="" type="checkbox"/>
Additional Requirements	<input checked="" type="checkbox"/>
A: Entitlement to Work & Immigration	<input checked="" type="checkbox"/>
B: Environmental	<input checked="" type="checkbox"/>
C: Code and System Implementation	<input type="checkbox"/>
D: Sub-contracting	<input type="checkbox"/>

Non-Compliance Table

Issue	Area of Non-Conformity (Only check box when there is a nonconformity)			Rating (As per ETI Guidance)
	ETI BaseCode	Local Law	Client's CoC	
1 Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		
3 Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Non-compliance
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		
5 Wages & Benefits	<input type="checkbox"/>	<input type="checkbox"/>		
6 Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Non-compliance
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		
8 Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		
9 Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		
A Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	
B Environment		<input type="checkbox"/>	<input type="checkbox"/>	
C Code & System Implementation			<input type="checkbox"/>	
D Sub-Contracting			<input type="checkbox"/>	

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Audit Overview

Facility Description:

Background

Zhen Hua Fa Household Manufacturing Ltd. is located in No.1, Lekou Industrial Development Zone, Jiujiang Town, Nanhai District, Foshan City, Guangdong Province, China. The total land area occupied by the facility is about 8,330 square meters. They have started their operation at the existing location since January 2002. The main products manufactured by the factory cover charcoal briquettes and disposable instant grill.

In view of the facilities, the factory consists of one 3-storey building and one flat building for workshops warehouses and office. Two 2-storey buildings are used as dormitories. No kitchen and canteen is available for employees. The main production processes are listed as follows: molding, drying, inspection and packing.

A total of 180 employees are currently working in the factory, which includes 150 production employees (include sample making, warehouse, QA, packing etc) and 30 non-production employees (include security guards, kitchen employees). There are 54 local employees in the factory. The employees work for 5 days a week in 1 shift. The working hour is from 8:00 to 17:00 with 1 hour's lunch break. Employees' wages were calculated on hourly-rated basis. The peak season starts from December to June of next year.

Audit Process

This initial audit was conducted by Intertek Testing Services. A team of 2 auditors assessed / verified the factory's operations against the ETI Base Code and local legislations on a sampling basis.

Summary of Findings (Positive and negative)

In view of the findings raised, non-compliances were covered in the areas of Safety and Hygienic Conditions and Working Hours Are Not Excessive. Details of the findings are listed in following sections. For other areas, no violations were noted. The factory management was found to be cooperative throughout the audit.

Other Points

Nil

Audit Results by Clause

1: Employment is Freely Chosen	ETI 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.
<p>Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil</p> <p>Recommended Corrective Action: Nil</p> <p>Objective Evidence Observed: Nil</p> <p>Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>)</p> <p>Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/></p> <p>Other Potential Issues: Nil</p> <p>Best Practices Observed: Nil</p>	

2: Freedom Of Association & Right To Collective Bargaining Are Respected:	ETI 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.
<p>Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil</p> <p>Recommended Corrective Action: Nil</p> <p>Objective Evidence Observed: Nil</p> <p>Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>)</p> <p>Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/></p> <p>Other Potential Issues: Nil</p> <p>Best Practices Observed: Nil</p>	

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3: Working Conditions are safe & Hygienic	ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. 3.2 Workers shall receive regular and recorded health and 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 and safety to a senior management representative
1.Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Not register 2 out of 3 fork lifts In accordance with Special Appliance Quality Safety Monitoring Regulation article 25, the operating unit with special appliance shall apply the registration for the special appliance from the Special Appliance Quality Safety Monitoring Department of the municipality city or above, before they are used or after they have been used for 30 days. The approved registration certificate/letter for special appliance should be affixed at the relevant special appliance. Recommended Corrective Action: It is recommended that the factory shall apply the registration for all the forklifts from the local Special Appliance Quality Safety Monitoring Department to comply with law. Objective Evidence Observed: It was noted that the factory did not register its 2 out of 3 forklifts at the local Special Appliance Quality Safety Monitoring Department. Method of verification: (Desktop Review <input checked="" type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input checked="" type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Remark: Factory response (directly quoted): These 2 forklifts were delivered to the factory on 2 nd December 2006 and the registration procedures have not been completed. Accept the suggestion to proceed the registration.	

2.Non-Conformities:

Description of Non-compliance & Local Law/CoC Requirement:

No emergency light

In accordance with Fire Safety of Building Design Regulation (GBJ16-87) article 10.2.9, emergency light shall be installed on wall or ceiling.

Recommended Corrective Action:

It is recommended that emergency light should be installed at the relevant areas.

Objective Evidence Observed:

It was noted that no emergency light was installed at the following areas:

- a. Both exits of two packing material warehouse, the area of each warehouse is about 100 square meters.
- b. 1 exit of finished products warehouse, the area of this warehouse was about 300 square meters.
- c. 1 exit of raw material warehouse, the area of this warehouse was 100 square meters.

Method of verification: (Desktop Review or Follow-Up Audit)

Recommended Timescale: Immediate 30 60 90 180 360

Remark:

Factory response (directly quoted): Emergency light was not installed in these locations because we consider the areas are relatively small. In any event, we accept the suggestion to add these equipments in these locations.

3.Non-Conformities:

Description of Non-compliance & Local Law/CoC Requirement:

No exit sign

In accordance with the PRC Fire Service Law article 14(6), enterprises and business units shall ensure that all evacuation passages and emergency exits are clear, and affixed with fire safety evacuation signs.

Recommended Corrective Action:

It is recommended that exit signs should be affixed for the relevant areas.

Objective Evidence Observed:

It was noted that no exit sign was installed at the following areas:

- a. Both exits of two packing material warehouse, the area of each warehouse is about 100 square meters.
- b. 1 exit of raw material warehouse, the area of this warehouse was 100 square meters

Method of verification: (Desktop Review or Follow-Up Audit)

Recommended Timescale: Immediate 30 60 90 180 360

Remark:

Factory response (directly quoted): Same as the issue regarding emergency light, we consider the areas are relatively small and no emergency exit signs are installed. Also accept the auditor's suggestion.

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4. Non-Conformities:

Description of Non-compliance & Local Law/CoC Requirement:

Improper light system

In accordance with the Rules Concerning Warehouse Safety and Fire Control, Article 38, for warehouses that store goods of category C, high temperature lighting fixtures shall not be used, e.g. iodine-tungsten lamps and incandescent lamps of more than 60W. When low temperature lighting fixtures, e.g. daylight lamps, and other flame-retardant lighting fixtures are used, fire prevention measures of heat insulation and heat rejection should be taken for the ballast to ensure safety. (Flammable solids of category C include chemicals, artificial fibers and their fabrics, paper, cotton, fur, silk, hemp and its fabrics, cereals, flour, natural rubber and its products, bamboo, wood and its products, Chinese herbal medicines, TV sets, recorders, other electronic products, disks with recorded data of computer rooms, fish and meat in the refrigerator.)

Recommended Corrective Action:

It is recommended that the fire prevention measures of heat insulation and heat rejection should be taken for the ballast to ensure warehouse safety.

Objective Evidence Observed:

It was noted that the factory was using ordinary fluorescent lighting in the following areas:

- a. One finished products warehouse (about 300 square meters), which was used as charcoal briquettes with carton box storage.
- b. Material warehouse (about 100 square meters), which was used as charcoal briquettes storage.

Method of verification: (Desktop Review or Follow-Up Audit)

Recommended Timescale: Immediate 30 60 90 180 360

Remark:

Factory response (directly quoted): We will check with our contractor to evaluate how to improve the fire prevention in this area.

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4: Child Labour Shall Not Be Used	ETI 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.
Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Objective Evidence Observed: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

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5: Living Wages Are Paid	<p>ETI</p> <p>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.</p> <p>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.</p>
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Wages analysis (Based on the provided payrolls)

Sample size(number of wages checked): 15+5+5

Legal minimum wage for standard time: RMB574 per month or RMB3.43 per hour before 1st September 2006 and RMB690 per month or RMB4.12 per hour since 1st September 2006.

Industry Norm for this region: N/A

Actual lowest minimum wage found for standard time on TOTAL payroll:

1.Contractd minimum wage for standard time	RMB690 per month
2.Actual minimum wage paid for standard time- averaged over sample	RMB690 per month
3.Lowest minimum wage paid in sample (standard time)	RMB690 per month

Legal overtime premium for weekdays: 150% of normal rate

Legal overtime premium for rest days: 200% of normal rate

Legal overtime premium for holidays: 300% of normal rate

1.Contractd O/T premium for week days	150% of normal rate
Rest days	200% of normal rate
Holidays	300% of normal rate
2.Actual O/T premium paid in sample for week days	150% of normal rate
Rest days	200% of normal rate
Holidays	300% of normal rate

Total wages(including overtime pay) analysis

Sample size (number of wages checked): "check complete payroll were possible. 15+5+5

	Actual pay (state currency)
1. Highest wage paid to an operator	RMB1569 per month
2. Lowest wage paid to an operator	RMB1251 per month
3.Average wage paid to operators	RMB1369.8 per month

Non-Conformities:

Description of Non-compliance & Local Law/CoC Requirement: Nil

Recommended Corrective Action: Nil

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Objective Evidence Observed: Nil

Method of verification: (Desktop Review or Follow-Up Audit)

Recommended Timescale: Immediate 30 60 90 180 360

Other Potential Issues: Nil

Best Practices Observed: Nil

Remark:

1. 12 months' attendance records and payroll records (November 2005 – October 2006) were provided for review in this audit.
2. The local minimum wage is RMB574 per month or RMB3.43 per hour before 1st September 2006 and RMB690 per month or RMB4.12 per hour since 1st September 2006.

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6: Working Hours Are Not Excessive:	ETI 6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.
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Working hours analysis

Sample size checked (number of workers): 15+5+5

Legal standard work- week (hours): 40 hours

National law: 40 hours

1. Contracted standard work week this factory (hrs)	40hours
2. Actual standard work week averaged over sample (hrs)	40hours
3. Range of standard work week hrs over <u>all operators</u> (quote highest and lowest Legal permitted overtime hours)	40hours

Any local wavers for this factory – Nil

1. Actual overtime hours (averaged over sample)	8 hours per week
2. Range of overtime hours over all operators (quote highest and lowest)	All were 8 hours per week
Any contracted deviation from the above please state below.	
Nil	

Full year analysis

1. Longest work week found in the year (total including overtime) hrs	48 hours
2. Number of weeks of the year these hours worked	45 weeks

Peak season month (s)		
December to June of next year		

1 . Non-Conformities:

Description of Non-compliance & Local Law/CoC Requirement:

Monthly overtime hours exceed thirty-six hours

In accordance with the PRC Labor Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and

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laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Recommended Corrective Action:

It is recommended that the factory should reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month.

Objective Evidence Observed:

It was noted that the monthly overtime hours of 2 out of 5 randomly selected workers were 40 hours per month in April and June 2006.

Method of verification: (Desktop Review or Follow-Up Audit)

Recommended Timescale: Immediate 30 60 90 180 360

Remark:

Factory response (directly quoted): These incidents occurred because a few technicians work basically on events suddenly. These were 5 Saturdays so happen in April and June 2006. We will make sure these oversight contraventions will be minimized.

Remark from the auditor:

1. The factory defined one month as a period of 26th each month to 25th of next month.
2. 12 months' attendance records and payroll records (November 2005 – October 2006) were provided for review in this audit.

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7: No Discrimination Is Practiced	ETI 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.
Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Objective Evidence Observed: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/> Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

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8: Regular Employment Is Provided	ETI 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 labouronly 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.
<u>Non-Conformities:</u> Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Objective Evidence Observed: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

9: No Harsh Or Inhumane Treatment Is Allowed	ETI 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation be prohibited.
<u>Non-Conformities:</u> Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Supporting Information: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

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Additional Requirement Appendix

A: Entitlement to Work & Immigration	Additional Retailer Specific Elements A1 Only workers with a legal right to work shall be employed or used by the supplier. A2 All workers including Employment Agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation A3 Employment Agencies must only supply workers registered with them. A4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation..
Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Objective Evidence Observed: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

B: Environmental	B1. Suppliers shall seek to make continuous improvements in their environmental performance and, as a minimum, comply with the requirements of local and international laws and regulations. B2. The supplier shall be aware of and comply with their end Clients' Environmental requirements.
Non-Conformities: Description of Non-compliance & Local Law/CoC Requirement: Nil Recommended Corrective Action: Nil Objective Evidence Observed: Nil Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/>) Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Nil Best Practices Observed: Nil	

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C: Code and System Implementation:	Retailer Specific Additional Elements C1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code. C2 Suppliers are expected to communicate this Code to all employees. C3. Suppliers should, where reasonably practicable extend the principles of this Ethical Code through their supply chain.
Non-Conformities: N/A Description of Non-compliance & Local Law/CoC Requirement: Recommended Corrective Action: Objective Evidence Observed: Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/> Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Best Practices Observed:	

D: Sub-Contracting:	D1. There should be no sub-contracting unless previously agreed with the main client
Non-Conformities: N/A Description of Non-compliance & Local Law/CoC Requirement: Recommended Corrective Action: Objective Evidence Observed: Method of verification: (Desktop Review <input type="checkbox"/> or Follow-Up Audit <input type="checkbox"/> Recommended Timescale: Immediate <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 <input type="checkbox"/> 180 <input type="checkbox"/> 360 <input type="checkbox"/> Other Potential Issues: Best Practices Observed:	

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Worker Interview Summary

Total N° of group interviews (how many groups, and how many persons per group, including male/female ration)	No group interview
Total number of individual interviews (No. Of male/ female)	15 (male: female: 3:12)
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, the attitude of the workers towards their workplace was?	<input checked="" type="checkbox"/> favorable <input type="checkbox"/> Non-favorable <input type="checkbox"/> indifferent
What was the most common worker complaint?	Nil
What did the workers like the most about working at this facility?	General is ok.
Any Additional Comment(s) regarding interviews:	Nil

Local Law

Legal Work Week (Total Hours):	8 hours per day and 40 hours per week.
Legal Max allowed Overtime hours (per day, week, month):	Maximum 3 overtime hours per day and 36 overtime hours per month.
Legal Minimum Work Age:	16 years old
Legal Minimum Wage(s):	The local minimum wage is RMB574 per month or RMB3.43 per hour before September 2006 and RMB690 per month or RMB4.12 per hour since September 2006.
Legal Overtime wage(s):	PRC Labor Law article 44, the overtime payment shall not be lower than 150%, 200% and 300% of employee normal rate for overtime on normal workdays, rest days and official public holidays respectively.

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Agency Staff

Number of agency staff used (Average)	Advised by the factory management, no agency used for this client.
Were agency workers age/pay/hours included within scope of this audit	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

This Facility




Employee Number (Male / Female)	M: 130 F: 50	Facility Activities e.g growing/Packing/Machining	Industry Manufacturing
Number of Non-permanent Workers	M: 130 F: 50		
Were appropriate records available to verify hours of worker and wage compliance:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "no" refer to comments in summary section	Applicable Business & other legally required license numbers: e.g. (Liability Insurance)	Business License NO: 0312660
Month(s) of Peak Season: If applicable	N/A <input type="checkbox"/> December to June of next year	Normal Work Days: e.g. Mon - Sat	Monday to Friday
Max Overtime Hours found (per day, week, month)::	8 hours per week	Breaks per working day	One hour's lunch break
Combined Hours (Reg & OT) over 60 per	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes" refer to comments in summary section	% of Piece Rate Workers If applicable	N/A <input checked="" type="checkbox"/>
		% of Workers Living in Dorms: If applicable	<input type="checkbox"/> 70%
Are workers paid by (Cash/Cheque/BACS) If not explain	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> By cash	Average Wage Level:	RMB 1369.8 per month
Youngest Worker found:	18 years old	Lowest wage paid:	RMB1251 per month
Workers under 18 subject to hazardous work assignments?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	What is the general overtime pay rate?	150% for weekday 200% for rest day 300% for holiday
Were workers aware of the audit:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Overtime paid correctly?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Which time keeping system is used? Time	Time Cards <input checked="" type="checkbox"/> Swipe Cards <input type="checkbox"/> Manual <input type="checkbox"/> Other:		
If applicable, Name of Union & Union representative:	N/A <input checked="" type="checkbox"/>		
Was the Unions representative involved in the audit? (If No explain)	Yes <input type="checkbox"/> No <input type="checkbox"/>		
The percentage of workers at the site covered by collective bargaining with one or more recognised trade unions.			
The percentage of workers at the site covered by negotiation with workers' representatives who are NOT members of one or more recognised trade unions.			
If no Union what is parallel means of consultation with workers	Suggestion box and meetings with factory management		
Was code communicated and How, and was it effective?	Yes <input checked="" type="checkbox"/> No By orientation training		

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Audit results reviewed with facility management?	Yes <input checked="" type="checkbox"/> No
Were Union reps or workers Reps. Present at closing meeting?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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Photo Form



		
Factory Name	Factory Gate	Dormitory Building

		
Production Building	Dormitory Room	Emergency Light and Exit Sign

		
Evacuation Map	Fire Extinguishers	First Aid Kit

		
Finished Products Warehouse	Molding Department	Packing Department

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<p>No emergency light and exit sign in the exit of one material warehouse</p>	<p>Normal fluorescent light was used in the charcoal briquettes storage warehouse</p>	