



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	[REDACTED]		Sedex Site Reference: <i>(only available on Sedex System)</i>	[REDACTED]
Business name (Company name):	[REDACTED] Ltd			
Site name:	[REDACTED] Ltd			
Site address:	[REDACTED]		Country:	CN
Site contact and job title:	[REDACTED] / Factory Director			
Site phone:	[REDACTED]	Site e-mail:		[REDACTED]
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:	2023-08-23			

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

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:	Winnie Li	APSCA Number:	32200219
Additional Auditors:			
Date of declaration:	2023-08-23		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

Site Representation	
Full Name:	[REDACTED]
Title:	Factory Director
Date of declaration:	2023-08-23
Comments:	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
Nil	

Summary of Findings

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

Local Law Issues

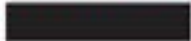
Issue	Description
§1	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.
§2	General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam);B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.

§3	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
§4	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers; but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Site Details

Site Details	
Company Name	[REDACTED] Ltd
Site Name	[REDACTED] Ltd
GPS location (if available)	GPS Address: [REDACTED]
	Coordinates: Longitude [REDACTED] E, Latitude: [REDACTED]
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license Number: [REDACTED], valid from 11 July 2006 to 10 July 2036.
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of Bags
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>[REDACTED] LTD, was located at [REDACTED]. [REDACTED] started their operation at the existing location in 2014. The factory rented 3F and part of 4F of one 4-storey production building which total occupied 1,800 S.Q. meters. The factory didn't provide dormitory, kitchen and canteen for workers. Remark: (1) The factory had rent 3F and part of 4F of one 4-storey production building. The factory had rented from [REDACTED]. The lease contract was [REDACTED] on [REDACTED] two 4-storey buildings in the same boundary. One was production building and another one was dormitory building. The auditee only used 3F and part of 4F of production building, the 1F of production building and the dormitory building were used by landlord. And the 2F and the other part of 4F of production building were used by other company. The auditee facility and other companies had independent business license and management, workers. (3) This audit only included 3F and part of 4F of production building. Due to new platform reasons, the site information display is incomplete and cannot be modified, so it is further explained as below: Company name: [REDACTED] LTD.; Site name: [REDACTED].</p> <p>Aug/ 2023. Leader auditor: Winnie Li, Additional Auditor(s): Nil</p>

Structure and number of buildings	Building Name:		The 4-storey production building
	Floor	Description	Remark
	The first floor	Used by landlord as production workshop and office	Out of the audit scope
	The second floor	Used by a company for manufacturing bags	Out of the audit scope
	The third floor	The auditee's sewing, inspection and packing workshop	Nil
	The fourth floor	Cutting workshop and warehouse	The other part was used by a company for manufacturing bags
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No large cracks were observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Building safety structure inspection report for the building in the factory that was provided for review.		
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season	Select a month to Select a month		
Process overview	The main products manufactured by the factory were Bags. The main production processes were listed as follows: Cutting, Sewing, Inspection, Packing; Main equipment listed below: Cutting machines: 2 sets, Sewing machines: 30 sets.		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	One worker representative was elected by all employees.		
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:		

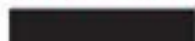


Were all site provided accommodation buildings included in this audit

Yes No

Please give details:

N/A. No dormitory was available for employees.



Audit Parameters		
Time in and time out	Day 1	
	In	08:55
	Out	18:00
Audit type:	PERIODIC	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	[Redacted] / Factory Director	
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 trade union was formed in factory.		
<i>Reason for absence during the audit</i>	No trade union was formed in factory.		
<i>Reason for absence at the closing meeting</i>	No trade union was formed in 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	2	0	0	13	0	0	0	15
Worker numbers – female	5	0	0	11	0	0	0	16
Total	7	0	0	24	0	0	0	31
Number of Workers interviewed – male	1	0	0	0	3	0	0	4
Number of Workers interviewed – female	2	0	0	0	4	0	0	6
Total – interviewed sample size	3	0	0	0	7	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: N/A. No peak season in the facility.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 100%
	Salaried: 0%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: N/A.

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Based on workers interview, no worker complained anything during the interview.
What did the workers like the most about working at this site?	Most workers said that they were satisfied with working condition and the wages.
Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

During the audit, 10 workers were selected from different workshops for interview including 4 male workers and 6 female workers and they were interviewed as one group of 4 workers (total 4 workers) and 6 individually for more detail information. The workers were interviewed in a confidential meeting room in workshop; most interviewed workers were satisfied with their employment at the factory. In addition, most workers were satisfied with the wages and working hours; the relationship between supervisors and workers were acceptable. And they could compliant to worker representatives or supervisors directly. Moreover, most workers acknowledged leaves and benefit per interview; they could also communicate with leaders for working hours and wages calculations directly.

Attitude of worker's committee/union reps:

The worker representative showed that the management was cooperative with workers and the workplace was generally acceptable. They were satisfied with management attitude and no negative evidence was observed on worker members were treated differently.

Attitude of managers:

The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; to take photo of the factory, to copy relevant document records and conduct confidential workers interview. During the audit, management showed they were willing to gradually improve all issues found on-site.

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

0A: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

2. [REDACTED] / Factory Director was responsible for implementing standards concerning Human rights.

Evidence examined:
Details:

1. Management interview

2. Workers interview

3. Documents review

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

Yes No

Please give details:

The factory established the policy which stated that expresses commitment to respect human rights.

Are the policies included in workers' manuals?

Yes No

Please give details:

The policy was included in workers' manuals.

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

Yes No

Please give details:

[REDACTED] / Factory Director was the designated person implementing standards concerning Human Rights.

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the human resources office and only viewed by the HR staff.
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 1.0% This year 9.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 3.0% This year 3.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	0.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident records were kept with actions available.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%

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

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory appointed [redacted] / Factory Director to be responsible for compliance with ETI Base Code.
2. Internal social respons [redacted] management review was conducted on site regularly.
3. The ETI code was posted on the announced board and the ETI code training was conducted regularly.
4. The ETI code was communicated to their qualified supplier and the code was signed back to factory.

Evidence examined:
Details:

1. Social responsibility policy and procedure.
2. Management system.
3. Worker interview and management interview
4. Qualified supplier list.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such fine or prosecutions were identified.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. 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: The factory had provided the training to management and workers in each month, the last training date was in Aug, 2023.

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 in each month and provided related records 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: The factory did not have any internationally recognised system certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There is a HR department in the factory. And [REDACTED] /Admin staff was responsible for HR issues.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: [REDACTED] / Factory Director was responsible for [REDACTED] 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: Policy was established in employee manual to ensure all worker information is confidential
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All worker information is kept locked in files in the personnel office.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site did internal audits of its personnel systems to evaluate policy and procedure effectiveness
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: Any problems found at internal audit are brought to the attention of senior management and corrections made.
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 site sends a copy of the ETI code and any relevant customer codes to its own suppliers.
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 certificate of land for review.

Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory recognized and applied 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: NA, The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A. The factory had established the related policy, all lands belonged to the landlord, who had the property ownership certificate.
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: N/A. The factory had established the related policy, all lands belonged to the landlord, who had the property ownership certificate.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No illegal land for factory building or expansion of footprint.

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- 2. The employees obtained their job by HR market or by friend's recommendation.
- 3. The workers did not require lodging deposits or their identity papers to the factory at the beginning of employment.
- 4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- 5. Contract for security guards state that they must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift.
- 6. No forced, bonded or involuntary prison labour was identified during the audit.

Evidence examined:
Details:

- 1. Factory rules
- 2. Employee handbook
- 3. Personnel files
- 4. Resignation records
- 5. Worker contracts
- 6. Management and worker interview

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: No negative evidence was found during audit.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No negative evidence was found during audit.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: No forced/ trafficked / bonded labour was identified in its supply chain.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The 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.
- 2. Based on document review, management review and worker interview, one worker representative was elected in factory on 28 Mar, 2023 and the worker representative meeting was conducted once time quarterly. The latest meeting was conducted on 28 Jun., 2023. The meeting records were provided for review.
- 3. Through worker interview, the worker could rise up their opinion through worker representative or communicate with their supervisor.
- 4. Workers could raise their grievances or complaint to their worker representative or management directly.

Evidence examined:
Details:

- 1. The policy on freedom of association
- 2. Minutes of the works committee meeting
- 3. Interview with workers and management
- 4. Interview with workers committee members
- 5. Worker representative elected records

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 checked="" type="checkbox"/> Other	<input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	One worker representative was elected by workers freely.	
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: Worker representative and suggestion box	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The meeting room was provided by factory.
Name of union and union representative, if applicable:	N/A. No union was founded 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?	One worker representative was elected in factory.
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: Worker representative elected result had announced to workers, and it was confirmed by workers interview.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-28
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting was conducted regularly, and the last was conducted on 28 Jun, 2023. Worker representative elected and safety and health topics were covered and 30 minutes were communicated.
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

- [Redacted] / Factory Director is responsible for issue of Health & Safety in the factory.
- Meetings show that there were monthly meetings between H&S committee and H&S manager.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Sufficient fire-fighting equipment such as fire extinguishers, fire alarm and hydrants in production building. Regular inspection was taken by the factory per month.
- There were two exits available for workshop.
- Fire drill was conducted in the factory on 27 Oct, 2022 and 18 Apr, 2023 and records were available, and all workers were covered.
- The fire acceptance certificate was provided for review.

3. Electrical safety

- The electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.
- One part time electrician was available in the factory and the qualification certificate was provided for review.

4. Medical services

- Sufficient first aid kits in the production area and they were well stocked.
- One trained first aiders were available in the factory, and the qualification certificate was provided for review.

5. PPE

- The factory provided PPEs for workers where necessary freely, such as earplugs for punching workers.
- Related warning signs were posted onsite.

6. Special equipment

- One elevator was using in factory.
- The factory had provided safety use tag and annual inspection report for the elevator.

Evidence examined:

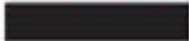
Details:

1. Health and safety policy
2. Health and safety manual
3. Fire equipment maintenance records
4. Training records
5. Fire drill records
6. Trained first aider certificate
7. Accident records
8. Interview with factory management and workers
9. Onsite observation
10. Worker interview and management interview
11. Use tag and annual inspection report for the elevator

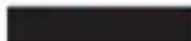
Any other comments:



Nil

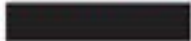
Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established EHS policy and published to workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employees manual covered the Health and Safety policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory obtained building structural safety certificates for all buildings.
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: Visitor's badges have H&S information on them and the visitor is requested to read it, meanwhile the factory provide mask and earplugs to visitors.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such requirement in local law, but the factory had adequate first aid kits on site.
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 one qualified first aider on site.
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: Factory did not provide transport.



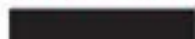
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided for workers.
Are H&S Risk assessments are conducted (including evaluating the arrangements 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: EHS risk assessments were conducted regularly with actions implementation.
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 had provided fixed pollution source discharge registration 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: It was acceptable and no banned chemicals were used in factory.




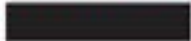
Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	[REDACTED]	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.	 <p>No pulley guards for sewing machines..jpg</p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	 <p>No finger guard for sewing machine..jpg</p>
Explanation to the non compliance	It was noted that no finger guards were equipped on all sewing machines and no belt guards were equipped for about 20% sewing machines. 现场发现，所有的针车都没有护指环并且约20%的针车没有皮带防护。 Periodic audit on 29 July 2022: It was noted that no finger guards and belt guards were equipped for about 20% sewing machines. 现场发现，约20%的针车没有护指环和皮带防护。 2.Periodic audit on 23 Aug, 2023: It was noted that no finger guards were equipped on all sewing machines and no belt guards were equipped for about 20% sewing machines. 现场发现，所有的针车都没有护指环并且约20%的针车没有皮带防护。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days	



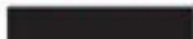
	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should install finger guards and pulley guards for the mentioned machines. 工厂应给所提到的机台安装护指器和皮带轮防护罩。	



Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	[REDACTED]	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam); B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.	 <p><u>The distance between goods and wall was less than 0.5M...jpg</u></p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that about 20% of finished goods in warehouse were placed against walls in warehouse area. 成品仓库中约20%的成品靠墙堆放。 Periodic audit on 23 Aug, 2023: It was noted that about 20% of finished goods in warehouse were placed against walls in warehouse area. 成品仓库中约20%的成品靠墙堆放。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	



Actions	The finished goods should be placed away not less than 0.5M against the wall. 工厂应确保成品与墙之间间隔不少于0.5米。	
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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:

- 1. The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employ and use any child labour under the age of 16 years old.
 - 2. The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, no young worker worked in factory.
 - 3. Checks of all workers files showed that the youngest worker on site was 28-year-old who born on 5 Jun, 1995 and recruited on 6 Aug, 2020. No young workers worked in factory.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16-18 are regarded as young-labour

Evidence examined:
Details:

- 1. Policy on workers recruitment
- 2. Personnel files including the ID card copies of workers
- 3. Roster and labour contracts of all workers
- 4. Worker interview and management interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	28
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No young workers were employed in the factory during the audit date.

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:

- The local legal minimum wage was RMB1960 per month (the same as RMB11.26 per hour) since 1 Apr., 2022.
- All workers were paid by hourly rate. The factory paid at least RMB2500 per month (the same as RMB14.37 per hour) since July, 2022. The minimum wages were compliance with local legal requirement.
- All workers were paid in the end of following month by cash and each worker was given a pay slip and signed for their wages.
- 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.

Evidence examined:
Details:

- Payroll records from Jul, 2022 to Jun, 2023.
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Pay slips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

Any other comments:


Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 174.0	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 60.0	NO

Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 90.11 Per Week: 450.57 Per Month: 1960.0	Actual Per Day: 114.94 Per Week: 574.71 Per Month: 2500.0	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: 43.11 Per Week: 359.25 Per Month: 1480.11	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 Jun, 2023 (current paid month) 10 samples from Mar, 2023 (random month) 10 samples from Aug, 2022 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The factory paid at least RMB2500 per month (the same as RMB14.37 per hour) since July, 2022.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: No bonus was found in worker's wages. 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:	Personal contribution of social insurance, income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	No deduction was made from workers' wages.		
Please list all deductions that have not been made.	Personal contribution of social insurance, income tax: Factory stated that the fee was paid by factory side.		
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 attendance records indicated that the punched in and out were calculated as work time and meetings before or after work were paid for their time, based on workers interview and management interview.
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: Adjusting wages according to the local minimum wage per year.
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: Confirmed by workers interview, management interview and factory policy.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
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 type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	[REDACTED]	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.	 <p>Not all workers were provided with social insurance..jpg</p>
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 insurance receipt of June 2021, there were 35 (including 10 retired rehired employees and 1 new employee) employees on the audit date, insufficient social insurances were paid to employees, the current system: endowment insurance: 4 employees, occupational injury insurance: 4 employees, maternity insurance: 4 employees, medical insurance: 4 employees, unemployment insurance: 3 employees. However, the factory had provided commercial	

	<p>insurance to all employees, which validated from 19 December 2020 to 18 December 2021. 根据2021年6月份的社保缴费凭证,工厂共35名员工(包括10名退休返聘的员工和1名新进员工),工厂为4人购买了养老保险,工伤保险,生育保险和医疗保险,3人购买了失业保险。且工厂为全部员工购买了商业保险,有效期从2020年12月19日至2021年12月18日。 0 Training 0 Systems 0 Costs 0 lack-of-workers 0 Other – please give details: The factory should provide the legal required social insurance to all workers. 建议工厂为所有员工提供法定的社会保险。 Periodic audit on 29 July 2022: Based on insurance receipt on June 2022, there were 33 (including 3 retired rehired employees and 7 new employees) employees on the audit date, insufficient social insurances were paid to employees, the current system: endowment insurance: 5 employees, occupational injury insurance: 5 employees, maternity insurance: 5 employees, medical insurance: 5 employees, unemployment insurance: 4 employees. However, the factory had provided commercial insurance to 26 employees, which validated from 21 June 2022 to 20 June 2023. 根据2022年6月份的社保缴费凭证,工厂共33名员工(包括3名退休返聘的员工和7名新进员工),工厂为5人购买了养老保险,工伤保险,生育保险和医疗保险,4人购买了失业保险。且工厂为26名员工购买了商业保险,有效期从2022年6月21日至2023年6月20日。 3. Periodic audit on 23 Aug, 2023: Not all workers were provided with social insurance. There were total 33 employees hired at the factory during audit date. 3 employees were retire hired to work again, no employee was new hired and resigned since Aug, 2023, so the factory should provide social insurance to 30 employees in Aug, 2023. The factory provided social insurance receipts from Sept, 2022 to Aug, 2023 for review, as per the social insurance receipts in Aug, 2023 and management review, the factory only provided social insurance (i.e. including retirement, medical, child-bearing, work-related injury and unemployment insurance) for 5 workers (16.67%). Remark: The factory bought commercial accident insurance for all workers, and valid date was since 16 Mar, 2023 to 15 Mar, 2024. 不是所有人都缴纳了社保。工厂共有33名员工,3名退休返聘员工,2023年8月无新员工入职和员工离职,因此,工厂在2023年8月应给30名员工缴纳社保。工厂提供了2022年9月-2023年8月的社保缴费记录,根据管理层访谈及2023年8月的缴费记录,工厂仅给5名员工(16.67%)缴交养老,医疗,生育,工伤和失业保险。备注:工厂给所有未提供社保的员工购买了商业意外险,有效期从2023年3月16日至2024年3月15日。</p>	
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	The factory should purchase social insurance for all workers according to the law. 工厂应按法规要求给所有员工缴纳社保。	

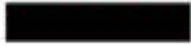
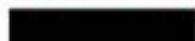


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6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory provided attendance records from 1 Jul.,2022 to the audit date for review.
2. The working time of workers were recorded by fingerprint scan machine.
3. According to time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week. One shift was available for all workers (i.e. 08:00-12:00; 14:00-18:00, OT was 19:00-21:00 if need).
4. Based on attendance records provided by factory from 1 Jul.,2022 to the audit date, the workers' monthly overtime hours exceed local legal requirement. The max daily OT was 2 hours and the max monthly OT was 60hours (Happened in Aug, 2022 and Mar, 2023).
5. Through employees' interview, overtime was voluntary.

Evidence examined:
Details:

1. Factory policy on working hours
2. Local and national laws
3. Workers contracts
4. Sample pay slips with recorded hours all interviewed workers
5. Attendance records from 1 Jul, 2022 to the audit date
6. Quality and production records to cross check working hours
7. Interview with workers and management

Any other comments:

Nil

Working hours' analysis

Systems & Processes


What timekeeping systems are used?	Fingerprint scan machine.
------------------------------------	---------------------------

Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
------------------------------------------	---------------------------------------------------------------------

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please complete as appropriate:	<input type="checkbox"/> 0 hours <input checked="" type="checkbox"/> Part time <input type="checkbox"/> Variable hours <input type="checkbox"/> Other
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 2 hours per day / 14 hours per week/ 60 hours per month in Aug, 2022 2 hours per day / 14 hours per week/ 60 hours per month in Mar, 2023. 2 hours per day / 14 hours per week/ 58 hours per month in Jun, 2023.
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The max weekly work time was 54hours.
Approximate percentage of total workers on highest overtime hours:	80.0%

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: Labour contracts had defined that the workers' overtime working were voluntary. Working hours' procedure also stipulated that the workers can attend the overtime working by their voluntary. In additional, 10 out of 10 randomly sample interviewed workers also confirmed that they took the overtime working by their own will.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: Based on the attendance records and payrolls provided by factory, 100% workers were paid for overtime wage per month by cash and 150% of normal wage were paid for overtime on workdays, 200% of normal wage were paid for overtime on rest day and 300% of normal wage were paid for overtime on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers per 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	N/A.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Nil, the maximum weekly hours were 54 hours.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Non-Compliance		Evidence																										
[Back to findings summary]																												
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>[REDACTED]</td> </tr> <tr> <td>Clause</td> <td>6 - Working Hours are not Excessive</td> </tr> <tr> <td>Issue Title</td> <td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td> </tr> <tr> <td>Subcategory</td> <td>Overtime</td> </tr> <tr> <td>New or carried over?</td> <td> <input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over </td> </tr> <tr> <td>Raised by audit</td> <td>[REDACTED]</td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" 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>PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Based on attendance records from June 2020 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except February 2021. Three sampled months of May 2021 (current paid month), December 2020 and August 2020 were randomly selected. It was found that 10 out of 10 workers' overtime was 64 hours in May 2021, 10 out of 10 workers' overtime was 58 hours in December 2020 and 10 out of 10 workers' overtime was 66 hours in August 2020. 根据2020年6月1日到审核当天的考勤记录，所有工人的月加班时间除了2021年2月，均超过了法律规定的36小时。抽样的三个月2021年5月，2020年12月和2020年8月中，显示抽样的10名员工的月加班在2021年5月为64小时，抽样的10名员工的月加班在2020年12月为58小时，抽样的10名员工的月加班在2020年8月为66小时。Periodic audit on 29 July 2022:Based on attendance records from June 2021 to audit day review, it was found that all workers' overtime</td> </tr> </tbody> </table>		Non-Compliance		Status	OPEN	Reference	[REDACTED]	Clause	6 - Working Hours are not Excessive	Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	Subcategory	Overtime	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	[REDACTED]	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	Explanation to the non compliance	Based on attendance records from June 2020 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except February 2021. Three sampled months of May 2021 (current paid month), December 2020 and August 2020 were randomly selected. It was found that 10 out of 10 workers' overtime was 64 hours in May 2021, 10 out of 10 workers' overtime was 58 hours in December 2020 and 10 out of 10 workers' overtime was 66 hours in August 2020. 根据2020年6月1日到审核当天的考勤记录，所有工人的月加班时间除了2021年2月，均超过了法律规定的36小时。抽样的三个月2021年5月，2020年12月和2020年8月中，显示抽样的10名员工的月加班在2021年5月为64小时，抽样的10名员工的月加班在2020年12月为58小时，抽样的10名员工的月加班在2020年8月为66小时。Periodic audit on 29 July 2022:Based on attendance records from June 2021 to audit day review, it was found that all workers' overtime	 <p>The worker's monthly OT exceeded 36hours..png</p>
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	<p>hours exceeded 36 hours per month except February and March 2022. Three sampled months of May 2022(current paid month), October 2021 and August 2021 were randomly selected. It was found that 10 out of 10 workers' overtime was 60 hours in May 2022, 10 out of 10 workers' overtime was 58 hours in October 2021 and 10 out of 10 workers' overtime was 54 hours in August 2021. 根据2021年6月1日到审核当天的考勤记录, 所有工人的月加班时间除了2022年2月和3月, 均超过了法律规定的36小时。抽样的三个月2022年5月, 2021年10月和2021年8月中, 显示抽样的10名员工的月加班在2022年5月为60小时, 抽样的10名员工的月加班在2021年10月为58小时, 抽样的10名员工的月加班在2021年8月为54小时。4.Periodic audit on 23 Aug, 2023: Based on attendance records from Jul, 2022 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except Jan, 2023. Three sampled months of Aug, 2022(Random month), Mar, 2023(Random month) and Jun, 2023(Current paid month) were randomly selected. It was found that 10 out of 10 workers' overtime hours had exceeded 36hours, and up to 60hours, 60hours and 58hours in Aug, 2022, Mar, 2023 and Jun, 2023 respectively. 根据2022年7月到审核当天的考勤记录, 所有工人的月加班时间(除了2023年1月)均超过了法律规定的36小时。随机抽样的三个月2022年8月(随机月), 2023年3月(随机月)和2023年6月(当前月)中, 显示抽样的10名员工的月加班在2022年8月, 2023年3月和2023年6月均超出36小时, 分别达到60小时, 60小时和58小时。</p>	
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	The factory should reduce the overtime to ensure the monthly overtime hours within 36 hours per month. 工厂应该减少加班确保月加班工时在36小时以内。	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, 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.
2. There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement.
3. There was no evidence of sexual harassment.

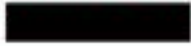
Evidence examined:
Details:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	Nil	
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	Based on worker interview and onsite observation, no negative evidences were identified.	
Professional Development		
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	



Item	Score	Comments
1	100	
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8 - Regular Employment is Provided
[Summary of Findings]

8: Compliance Requirements

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
- Additional Elements: Responsible Recruitment**
- 8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
- 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
- 8.5 Employment agencies must only supply workers registered with them.
- 8.6 Workers pay no recruitment fee at any stage of the recruitment process.
- 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current Systems:

- All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
- All interviewed workers had received a signed labour contract.
- All sampled workers' personal files were provided for review.

Evidence examined:
Details:

- The hiring and termination procedure
- Personal files
- Payroll records were provided for review
- Labour contracts
- Worker interview and management interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

- | | |
|------------------------------------------------------------------|-----------------------------------------------------------|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

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

-
- Yes
-
- No

Migrant Workers

Type of work undertaken by migrant workers:	Migrant workers were in all types of posts.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there any observation on this finding?	Nil
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No One migrant worker was engaged in work of management.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. No agencies were 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: N/A. No agencies were 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: N/A. No agencies were 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 contractors were used on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A.

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

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. It was verified through document review, factory tour, management interview and employee interview that no subcontracting or homeworking was used by the factory.
2. All processes were finished within the factory.

Evidence examined:
Details:

1. Production plan
2. Production records
3. Management interview and worker interview
4. Factory tour.

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

 Is homeworking used at this site? Yes No

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

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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Based on document review, management and worker interview, all workers in the factory were Chinese. 77.4% employees were migrant workers which came from other provinces. All workers had the proper legal rights to work in this region. The youngest worker in the factory was 28 years old. All of them were recruited directly by the factory and no agency was involved in the factory's recruitment processes.
2. Recruitment procedures and employment procedures; the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
3. No agency staff or foreign worker was used by the factory.
4. The factory collected related laws on entitlement to work and immigration.

Evidence examined:
Details:

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

1. The factory had established written procedure for environment management and appointed [REDACTED] / Factory Director as responsible person.
2. Environment policy and risk assessment had been conducted for environment.
3. The factory had required its suppliers to commit to be compliant with local law regarding environment issues.
4. No administrative penalty related to environmental issues within latest 3 years was identified during this audit.
5. The factory learned their end client's environmental standards/code requirements and established policy to accord their environmental requirements.
6. The factory provided fixed pollution source discharge registration for review.
7. The factory had made statistic and analysis for the use and discharge of natural resources e.g. water use and electricity use.

Evidence examined:
Details:

1. Environment management manual
2. Environment management documents
3. Energy monitoring records
4. Fixed pollution source discharge registration
5. Letter of appointment

Any other comments:

Nil

Attachments

<p>[Redacted]</p> <p><u>Social Audit Photo record [Redacted].pdf</u></p>	<p>[Redacted]</p> <p><u>Signed CAP [Redacted].pdf</u></p>
--------------------------------------------------------------------------	-----------------------------------------------------------



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=rIPsbE0PQ52ehCo3lnq5lw_3d_3d

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>



SMETA Corrective Action Plan Report (CAPR)

Version 6.1



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.

Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

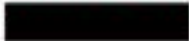
1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	[REDACTED]		Sedex Site Reference: <i>(only available on Sedex System)</i>	[REDACTED]
Business name (Company name):	[REDACTED] Ltd			
Site name:	[REDACTED] Ltd			
Site address:	[REDACTED]		Country:	CN
Site contact and job title:	[REDACTED] / Factory Director			
Site phone:	[REDACTED]		Site e-mail:	[REDACTED]
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:	2023-08-23			

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

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 Parameters		
Time in and time out	Day 1	
	In	08:55
	Out	18:00
Audit type:	PERIODIC	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	[Redacted] / Factory Director	
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 trade union was formed in factory.		
<i>Reason for absence during the audit</i>	No trade union was formed in factory.		
<i>Reason for absence at the closing meeting</i>	No trade union was formed in factory.		




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>6 - Working hours are not excessive</u>	6.1	§1	1	0	0	NC: [REDACTED]
<u>5 - Living wages are paid</u>	5.1	§2	1	0	0	NC: [REDACTED]
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§3 §4	2	0	0	NC: NC: [REDACTED]

Local Law Issues

Issue	Description
§1	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
§2	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
§3	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.
§4	General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam); B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.

Non-Compliance		Evidence																										
[Back to findings summary]																												
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	<p>hours exceeded 36 hours per month except February and March 2022. Three sampled months of May 2022(current paid month), October 2021 and August 2021 were randomly selected. It was found that 10 out of 10 workers' overtime was 60 hours in May 2022, 10 out of 10 workers' overtime was 58 hours in October 2021 and 10 out of 10 workers' overtime was 54 hours in August 2021. 根据2021年6月1日到审核当天的考勤记录, 所有工人的月加班时间除了2022年2月和3月, 均超过了法律规定的36小时。抽样的三个月2022年5月, 2021年10月和2021年8月中, 显示抽样的10名员工的月加班在2022年5月为60小时, 抽样的10名员工的月加班在2021年10月为58小时, 抽样的10名员工的月加班在2021年8月为54小时。4.Periodic audit on 23 Aug, 2023: Based on attendance records from Jul, 2022 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except Jan, 2023. Three sampled months of Aug, 2022(Random month), Mar, 2023(Random month) and Jun, 2023(Current paid month) were randomly selected. It was found that 10 out of 10 workers' overtime hours had exceeded 36hours, and up to 60hours, 60hours and 58hours in Aug, 2022, Mar, 2023 and Jun, 2023 respectively. 根据2022年7月到审核当天的考勤记录, 所有工人的月加班时间(除了2023年1月)均超过了法律规定的36小时。随机抽样的三个月2022年8月(随机月), 2023年3月(随机月)和2023年6月(当前月)中, 显示抽样的10名员工的月加班在2022年8月, 2023年3月和2023年6月均超出36小时, 分别达到60小时, 60小时和58小时。</p>	
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	The factory should reduce the overtime to ensure the monthly overtime hours within 36 hours per month. 工厂应该减少加班确保月加班工时在36小时以内。	



Non-Compliance		Evidence																										
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Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state. </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 insurance receipt of June 2021, there were 35 (including 10 retired rehired employees and 1 new employee) employees on the audit date, insufficient social insurances were paid to employees, the current system: endowment insurance: 4 employees, occupational injury insurance: 4 employees, maternity insurance: 4 employees, medical insurance: 4 employees, unemployment insurance: 3 employees. However, the factory had provided commercial</td> </tr> </tbody> </table>		Non-Compliance		Status	OPEN	Reference	[REDACTED]	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 type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	[REDACTED]	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. 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New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over																											
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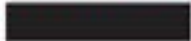
	<p>insurance to all employees, which validated from 19 December 2020 to 18 December 2021. 根据2021年6月份的社保缴费凭证,工厂共35名员工(包括10名退休返聘的员工和1名新进员工),工厂为4人购买了养老保险,工伤保险,生育保险和医疗保险,3人购买了失业保险。且工厂为全部员工购买了商业保险,有效期从2020年12月19日至2021年12月18日。 0 Training 0 Systems 0 Costs 0 lack-of-workers 0 Other – please give details: The factory should provide the legal required social insurance to all workers. 建议工厂为所有员工提供法定的社会保险。 Periodic audit on 29 July 2022: Based on insurance receipt on June 2022, there were 33 (including 3 retired rehired employees and 7 new employees) employees on the audit date, insufficient social insurances were paid to employees, the current system: endowment insurance: 5 employees, occupational injury insurance: 5 employees, maternity insurance: 5 employees, medical insurance: 5 employees, unemployment insurance: 4 employees. However, the factory had provided commercial insurance to 26 employees, which validated from 21 June 2022 to 20 June 2023. 根据2022年6月份的社保缴费凭证,工厂共33名员工(包括3名退休返聘的员工和7名新进员工),工厂为5人购买了养老保险,工伤保险,生育保险和医疗保险,4人购买了失业保险。且工厂为26名员工购买了商业保险,有效期从2022年6月21日至2023年6月20日。 3. Periodic audit on 23 Aug, 2023: Not all workers were provided with social insurance. There were total 33 employees hired at the factory during audit date. 3 employees were retire hired to work again, no employee was new hired and resigned since Aug, 2023, so the factory should provide social insurance to 30 employees in Aug, 2023. The factory provided social insurance receipts from Sept, 2022 to Aug, 2023 for review, as per the social insurance receipts in Aug, 2023 and management review, the factory only provided social insurance (i.e. including retirement, medical, child-bearing, work-related injury and unemployment insurance) for 5 workers (16.67%). Remark: The factory bought commercial accident insurance for all workers, and valid date was since 16 Mar, 2023 to 15 Mar, 2024. 不是所有人都缴纳了社保。工厂共有33名员工,3名退休返聘员工,2023年8月无新员工入职和员工离职,因此,工厂在2023年8月应给30名员工缴纳社保。工厂提供了2022年9月-2023年8月的社保缴费记录,根据管理层访谈及2023年8月的缴费记录,工厂仅给5名员工(16.67%)缴交养老,医疗,生育,工伤和失业保险。备注:工厂给所有未提供社保的员工购买了商业意外险,有效期从2023年3月16日至2024年3月15日。</p>	
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	The factory should purchase social insurance for all workers according to the law. 工厂应按法规要求给所有员工缴纳社保。	



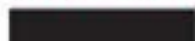
Item No.	Issue Description	Root Cause	Corrective Action	Responsible	Due Date	Status
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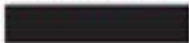
Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	[REDACTED]	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.	 <p>No pulley guards for sewing machines..jpg</p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	 <p>No finger quard for sewing machine..jpg</p>
Explanation to the non compliance	It was noted that no finger guards were equipped on all sewing machines and no belt guards were equipped for about 20% sewing machines. 现场发现，所有的针车都没有护指环并且约20%的针车没有皮带防护。 Periodic audit on 29 July 2022:It was noted that no finger guards and belt guards were equipped for about 20% sewing machines. 现场发现，约20%的针车没有护指环和皮带防护。 2.Periodic audit on 23 Aug, 2023: It was noted that no finger guards were equipped on all sewing machines and no belt guards were equipped for about 20% sewing machines. 现场发现，所有的针车都没有护指环并且约20%的针车没有皮带防护。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days	



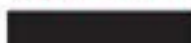
	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory should install finger guards and pulley guards for the mentioned machines. 工厂应给所提到的机台安装护指器和皮带轮防护罩。	



Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	██████████	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	██████████	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General rules for fire safety management of storage occupancies (GA 1131-2014) 6.8 Within the warehouse store things should meet the following requirements: a) the distance between the top and floor of stacking, flat roof is not less than 0.3 m (herringbone roof from beam); B) the goods and the distance between the lamp is not less than 0.5 m; C) goods and the distance between the wall not less than 0.5 m; D) the distance between the item stacking and column is not less than 0.3 m; E) the distance between the goods piling and stacking is not less than 1 m.	 <p><u>The distance between goods and wall was less than 0.5M...jpg</u></p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that about 20% of finished goods in warehouse were placed against walls in warehouse area. 成品仓库中约20%的成品靠墙堆放。 Periodic audit on 23 Aug, 2023: It was noted that about 20% of finished goods in warehouse were placed against walls in warehouse area. 成品仓库中约20%的成品靠墙堆放。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	



Actions	The finished goods should be placed away not less than 0.5M against the wall. 工厂应确保成品与墙之间间隔不少于0.5米。	
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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:	Winnie Li	APSCA Number:	32200219
Additional Auditors:			
Date of declaration:	2023-08-23		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

Site Representation	
Full Name:	[REDACTED]
Title:	Factory Director
Date of declaration:	2023-08-23
Comments:	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
Nil	

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a "root cause"

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre690RglY_2brg_3d_3d

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>