



Sedex Members Ethical Trade Audit Report

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.

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:	Aaron Xun	APSCA Number:	32200400
Additional Auditors:			
Date of declaration:	2023-09-12		

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.

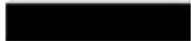
Site Representation	
Full Name:	[Redacted]
Title:	Office director
Date of declaration:	2023-09-12
Comments:	<p>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital 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</p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of Issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600165906 NC - ZAF600165907 NC - ZAF600165908
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§4	1	0	0	NC - ZAF600165905
6 - Working hours are not excessive	6.1	§5	1	0	0	NC - ZAF600165904
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.
§2	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.
§3	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.



<p>§4</p>	<p>Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.</p>
<p>§5</p>	<p>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p>



Site Details

Site Details	
Company Name	[Redacted]
Site Name	[Redacted]
GPS location (if available)	GPS Address: [Redacted]
	Coordinates: [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 March 20, 2012 to long term.
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Notebook
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	[Redacted] was located at [Redacted] for business license review. The factory leased two 4-story buildings (Building 1 and 2 were used as warehouses and workshop), one 3-story building. (Building 3 was used as office and workshop.) The total construction area was 7200 square meters.

Structure and number of buildings	Building Name:		1
	Floor	Description	Remark
	1	Workshop	Nil
	2	Workshop	Nil
	3	Workshop	Nil
	4	Landlord	Nil
	Building Name:		2
	Floor	Description	Remark
	1	Workshop	Nil
	2	Workshop	Nil
	3	Warehouse	Nil
	4	Landlord	Nil
	Building Name:		3
	Floor	Description	Remark
	1	Workshop	Nil
2	Office	Nil	
3	Landlord	Nil	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No obvious structural crack was observed during the audit.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided certificate of inspection for completed building construction and registration records.		
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			
Process overview	Printing - Paper cutting - Indentation- Folding- Sewing- Binding- Inspection - Packaging		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		



Please give details:	[Redacted] was elected as the worker representative.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not provide dormitory to their workers



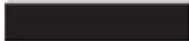
Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	12:00	In	08:00
	Out	17:00	Out	17:00
Audit type:	FULL_INITIAL			
Was the audit announced?	SEMI_ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	/ Office 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>	There was no union in the factory.		
<i>Reason for absence during the audit</i>	There was no union in the factory.		
<i>Reason for absence at the closing meeting</i>	There was no union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	6	0	0	15	0	0	0	21
Worker numbers – female	6	0	0	14	0	0	0	20
Total	12	0	0	29	0	0	0	41
Number of Workers interviewed – male	2	0	0	3	0	0	0	5
Number of Workers interviewed – female	2	0	0	3	0	0	0	5
Total – interviewed sample size	4	0	0	6	0	0	0	10



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



Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 (a total 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?	No workers complained anything during the interview.
What did the workers like the most about working at this site?	Paid on time, stable jobs at hometown and factory management was kind to them.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The interviewees verified that they had the choice to decide whether worked OT or not according to the voluntary principle.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors.

Attitude of worker's committee/union reps:

The worker representatives said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

Attitude of managers:

Management interview was conducted through the audit. The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit; take photos of the factory, 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 well set up a proper management system to implement social compliance requirements.
2. There was an internal audit team for quality who in addition to take on the role for internal audit of the social standards of the factory. The internal audit and management review records were provided.
3. Implementation of any necessary changes was then given to the individual department heads after agreement with the factory management, this system was fully effective.

Evidence examined:

Details:

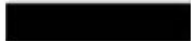
1. Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees.
2. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and worker interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory published a human rights statement, and the statement was posted out.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The workers' manual includes the statement of human rights
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: [redacted] Job title: General Manager

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a 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 management department's office and only reviewed by the administration manager, nobody could review without the administration manager's written authorization.				
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))	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">1.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">1.0%</td> </tr> </table>	Last year	1.0%	This year	1.0%
Last year	1.0%				
This year	1.0%				
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])	1.0%				
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)	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0.0%</td> </tr> </table>	Last year	0.0%	This year	0.0%
Last year	0.0%				
This year	0.0%				
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: Accidents were recorded per month in the factory. It was noted that there were no accidents in this year and last year.				
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	<table border="0"> <tr> <td>Last year</td> <td style="text-align: right;">0.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">0.0%</td> </tr> </table>	Last year	0.0%	This year	0.0%
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 had established an internal audit and supplier assessment program on social responsibility. The factory had conducted social accountability internal audit to itself.
2. Manager was appointed to be responsible for compliance with the local laws and the Codes.
3. Based on the interview of factory management, they were familiar with local laws and ETI Base Code.
4. The factory had communicated this Code to their suppliers.

Evidence examined:

Details:

1. Social accountability Policy and Procedure
2. Internal audit report
3. Assessment record
4. Assessment Report
5. Management interview and workers interview
6. Factory tour

Any other comments:

Nil

Management Systems

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

Yes No

Please give details:

Through management & employees interviews, no record was noted in any public information channel.

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

Yes No

Please give details:

Policies existed for Forced labour, Child Labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting.





<p>If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Policies exist for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment, Recruitment, Discrimination and Sub-contracting), and these are communicated to workers via poster and annual training. Workers stated no forced labour, no child labour was found (through interview and document review), there were both female and male among management/supervisors.</p>
<p>Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The training records were available in the factory.</p>
<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training records: - Training for management/supervisors. - Introductory training record for new employees. - Confirmed via management and worker interview.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 9001:2015 NO.: HIC200874 Valid from 28 Oct 2020 to 27 Oct 2023.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Office director was responsible for human resource.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: General Manager</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A displayed policy on the confidentiality of an individual's personal information.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the management department's office and only reviewed by the administration manager, nobody could review without the administration manager's written authorization.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a complete set of written risk assessment procedure and/or records such as job analysis records for pregnant women.</p>



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 were brought to the attention of senior management and corrective action was taken.
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: Factory established a policy and relative procedures of requiring its own suppliers to comply with labour standards.
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 site showed the auditor their legal required land right licenses for review. Such as, the "Report of inspection for completed building construction projects".
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: These were performed by the company's legal staff and the landlord to accept procedures for due diligence.
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: Remark: The land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such finding
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
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 appropriation of land for facility 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 rules and policy showed that there was no forced, bonded labour. No prison labour would be used.
- 2 Workers were not required to lodge deposit or their personal identity cards and were free to leave their employer after reasonable notice.
- 3 The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
- 4 The above was confirmed in management and worker interview.

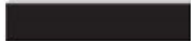
Evidence examined:
Details:

- 1 Through the employee interview, the factory did not require to deposit or withhold employees' ID card; employees were free to go if they had reasonable noticed; there was no forced, bonded or involuntary prison labour; the factory did not limit employees' freedom.
- 2 Resignation records
- 3 Factory rules
- 4 Employee handbook
- 5 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: N/A
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



<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The site understood the risks of forced / trafficked / bonded labour in its supply chain, and no forced labor was used.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Factory would regularly carry out social compliance assessment for all their suppliers</p>



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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee.
- 2. There was no union in the factory.
- 3. There was evidence of a workers committee. The worker committee was made up of worker representatives who was democratically elected by the production workers. The worker representative normally would have a meeting on a trimonthly basis to summarize the concerns and complaints from production workers.
- 4. All interviewed workers stated that they could report their concerns to the worker representative or directly to the supervisor or upper management.
- 5. In addition, workers could also response their concerns through suggestion box. And all complaints or suggestions would be tackled within a short time.

Evidence examined:
Details:

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

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	[redacted] was elected as the worker representative.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box, phone call, Wechat, Email or go to team leader/management level/worker representatives	
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: There is a meeting room available for the Union and worker's committee to meet and the members were allowed 2 hours per month for a meeting.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committees
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: All the workers knew who their representatives are
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-02-28
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 related selected document and meeting records were kept and available for review.
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. Safe and hygienic working environment was provided
2. Workers received regular and recorded Health & Safety training
3. Clean potable water were accessible.
4. Factory assigned responsibility for Health & Safety to a senior management representative

Evidence examined:
Details:

1. Health and safety policy/manual
2. Training records and certificates
3. Government licenses
4. Special equipment inspection reports and qualified operator certificates
5. Fire equipment maintenance records
6. Fire drill and evacuation records
7. Building structure safety certificates
8. Fire safety certificates
9. First aider certificates
10. Interview with H&S manager and committee members /workers
11. Site tour

Any other comments:


Nil


Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the general H&S and occupational Health & Safety policies and procedures, and the factory had a H&S manager and a H&S committee who held the meeting each quarter
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers' manual including facility's general Health & Safety and occupational Health & Safety policies and procedures and detailed requirements.



<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No structural addition was found during the audit.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: H&S policy was orally informed to visitors by the site.</p>
<p>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))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: There was no medical room for this unit. The first aid box in workshop was stocked with suppliers of first aid.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: one first aid personnel in the factory.</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No transport was provided.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A. No dormitory was provided to workers by factory.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory conducted H&S risk assessment each year during internal audit and factory's H&S committee members checked and monitored daily H&S risk status every working day.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The audited factory obtained all necessary environment certificates as per legal requirements.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory had met its customer requirements on environmental standards. No banned chemicals were used</p>




Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lack of knowledge of local law.	
Local law issue	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.	
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	No warning sign on partial electrical switches During facility tour, it was noted that 2 electrical switches no warning sign to alert electric shock. 局部电气开关上没有警告标志。现场走访时，发现2个电气开关没有触电警告标志。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	<p><u>No warning sign on partial electrical switches.jpg</u></p>
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.	

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 checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.	
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	Gap between finished products stacks and walls was 0.1 meters. It was noted that the gap between finished products stacks and walls was 0.1 meters in the warehouse, which was less than the legal requirement of 0.5 meters. 仓库成品堆放与墙的间距为0.1米 注意到仓库成品堆放与墙的间距为0.1米，小于法定0.5米的要求。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that the width of gap between finished products stacks and walls are in accordance	
		 <p><u>Gap between finished products stacks and walls was 0.1 meters.jpg</u></p>



 with the legal requirement. 

[The main body of the page contains a large area of redacted content, represented by a light gray background.]

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>3 - Working Conditions are Safe and Hygienic</td> </tr> <tr> <td>Issue Title</td> <td>264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)</td> </tr> <tr> <td>Subcategory</td> <td>Machinery</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Root cause</td> <td> <input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td>In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.</td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Machines without protective devices. During facility tour, it was noted that 2 out of 8 sewing machines were not equipped with needle guard. 机器无防护装置 在参观工厂时，注意到8台缝纫机中有2台没有配备护针器。</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <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 </td> </tr> <tr> <td>Actions</td> <td>It is recommended that needle guard should be equipped to all sewing machines to comply with the law.</td> </tr> </tbody> </table>		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 checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.	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	Machines without protective devices. During facility tour, it was noted that 2 out of 8 sewing machines were not equipped with needle guard. 机器无防护装置 在参观工厂时，注意到8台缝纫机中有2台没有配备护针器。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that needle guard should be equipped to all sewing machines to comply with the law.	 <p>No finger guard for sewing machines.jpg</p>
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Actions	It is recommended that needle guard should be equipped to all sewing machines to comply with the law.																															



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. There was a written policy in regarding to prohibition of child labour, which stipulated that no worker under 16 years old would be recruited in the factory.
- 2. To prevent hiring child labour, the factory also established age verification mechanism. The HR staffs would authenticate ID card of candidates via physical appearance comparison, questions testing and ID card authentication facility. All these processes ensured no fake ID card was used by potential worker during the hiring process.
- 3. According to review of employees' personal files and employee interview, there was no child labour in the factory.
- 4. Through reviewing employees' personnel files and whole factory tour, there was no employee that was under 18 years.

Evidence examined:
Details:

- 1. The recruitment policy on child labour was reviewed.
- 2. Recruitment procedure
- 3. Latest employee list
- 4. Personnel files of all workers
- 5. Interview with management and workers
- 6. Site tour

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	19
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No child labour was identified during the audit

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current Systems:

1. All workers' minimum wage met with legal requirement.
2. All workers were paid by cash and each worker was given a pay slip and signed for their wages.
3. Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate workers.
4. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.

Evidence examined:
Details:

1. Wages and benefits policy and procedure
2. Local and national laws
3. Local legal min wage documents
4. Overtime premiums records
5. Labour contracts for all workers
6. Resignation records
7. Production records
8. Social security insurance payment receipts
9. Worker interview and management interview

Any other comments:

Nil

Summary Information




Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 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: 66.0	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: 84.6 Per Week: 422.99 Per Month: 1840.0	Actual Per Day: 147.13 Per Week: 735.63 Per Month: 3200.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 882.76	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples in July, 2023(Latest payment month) 10 samples in December, 2022(Random month) 10 samples in September, 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.	Sample worker A from assembly workshop in July 2023 Hourly rate: RMB 18.39 Weekly wage(Normal wage): RMB 735.63 Monthly wage (Normal wage): RMB 3200		
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 found. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, individual income tax deductions were required by law.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Individual income tax		
Please list all deductions that have not been made.	Social insurance		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Per document review and worker interview, it was confirmed that equal rates were being paid for equal work.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was an annual review when local wage rates were examined.
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: Equal rates are being paid for equal work
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other



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	<p>employees had participated in disability caused by work-related injury insurance. Remark: The factory had bought the commercial injury insurances to 28 employees. Commercial accident insurance provided by "中国人寿保险股份有限公司" 社会保险参保不足。符合参保条件的员工参加社保的比例低于90%。根据提供的2023年8月份社保收据，企业的45名员工中，除去2名新员工及2名退休员工，41名应参保员工中有11人（27%）参加了医疗保险和生育保险，12人参加了养老、失业保险，22人参加了工伤保险。备注：工厂为28名员工购买了商业意外伤害保险。</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	<p>It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.</p>	

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 working hours in the factory were recorded by electric attendance system.
2. The working hour policy, labour contracts and etc. indicated that the regular working hours in the factory were 8 hours per day and 5 days per week.
3. All workers in worker interview stated that they worked overtime on voluntary basis.
4. All workers had one day off in seven days.
5. No collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce.
6. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.

Evidence examined:
Details:

1. Factory policy on working hours
2. Local and national laws
3. Workers contracts
4. Attendance records
5. Production and quality records to cross check hours
6. Management interview and worker interview

Any other comments:

Nil

Working hours' analysis

Systems & Processes


What timekeeping systems are used?	Finger print and face scanning system
------------------------------------	---------------------------------------

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

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Maximum overtime 2 hours/day, 14 hours/week, 62 hours/month in July 2023 Maximum overtime 2 hours/day, 14 hours/week, 66 hours/month in December 2022 Maximum overtime 2 hours/day, 14 hours/week, 48 hours/month in September 2022
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: As per all sampled employees' time records, the highest total weekly working hours (standard + overtime hours) were 54(40+14).
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: Per employee interview including worker representative's interview, employees overtime worked voluntarily, they had the right to overtime to work or not and if they refuse to work overtime, no any punishment was got and leave the factory after finishing standard working hours freely. And the agreement was reached by all employees during periodical meetings.
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: Under any of the following circumstances, the employing unit shall, according to the following standards, pay labours remunerations that are higher than those for normal working hours: (1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers and monthly
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 type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	N/A
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
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Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.	



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. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment.
3. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit, Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work
4. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
5. There was no evidence of sexual harassment.

Evidence examined:
Details:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 75.0%	Female: 25.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A		
Professional Development			
What type of training and development are available for workers?	PPE using training, machine operating training, chemical usage training, human right training etc.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		



Findings	Non-conformities	Observations	Corrective actions	Status

8 - Regular Employment Is Provided
 [Summary of Findings]

8: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. All workers were recruited by the factory directly and had properly signed contracts with the factory.
2. No labour agency was used to hire workers.
3. No temporary worker or home worker was identified by auditor.
4. Additionally, all of the workers were properly provided with one copy of the labour contract for his or her reference

Evidence examined:
Details:

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

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Same as actual conditions	<input checked="" type="checkbox"/> Understood by workers
Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Migrant Workers

Type of work undertaken by migrant workers:	All types of works in the factory.
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?	N/A
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 There were 5 migrant workers in skilled, technical or management role.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractor 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. A site tour showed that all production processes were present in the unit.
2. No sub-contracting or home-working was used in the facility.
3. As per management interview and factory tour, there was not homeworker used by the factory

Evidence examined:
Details:

1. List of approval supplier
2. Production records
3. Interview with management and workers
4. Site tour

Any other comments:

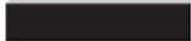
Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

 Is homeworking used at this site? Yes No



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





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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.No employment agency was used by the factory.
- 2.The factory recruited the new workers by the advertisements or the employee's recommendation.
- 3.All workers would be reviewed and validated with the original documentation before they were employed

Evidence examined:

Details:

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

Any other comments:

Nil



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

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
 - 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
 - 10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements
 - 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
 - 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
 - 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).
 - 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
 - 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
 - 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.
- 10B4: Guidance for Observations**
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
 - 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

1. [Redacted] General Manager was responsible for the environment management system in the facility.
2. [Redacted] management maintained all legally required environmental documents in place which proved that the production of the facility was in compliance with the related environmental regulations.
3. The legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document was available and valid during the audit.
4. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law.
5. The factory had signed contract with the qualified collector and all waste generated by the factory would be submitted to the collector.
6. Based on employees' interview, they were trained on environmental protection.

Evidence examined:

Details:

1. During this audit, all legally required environmental documents were provided for review.
2. The hazardous waste collector qualification documents, duplicated forms for transferring hazardous wastes and hazardous wastes transferring contracts were available for review.
3. Worker and management interview.
4. Site tour

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	██████████ General Manager
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Site conducted an internal risk assessment on the environmental impact of the site.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site had no recognised environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It addressed the key impact from operation and commitment to improvement.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Forest Stewardship Council (FSC) NO.: TSUD-COC-██████████ Valid from 02 June 2023 to 01 June 2028.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental impact register and EIA approval for this factory
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The in & out warehouse records were provided for review.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such system available in the factory.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Air emissions, water and energy usage, and waste were monitored with reduction targets to reduce

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Measured to reduce costs.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, site did not have sub-contracting agency

Usage/Discharge analysis

Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	447900	298600
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water supply	Municipal water supply
Water Volume Used	21068	14207
Water Discharged	Municipal sewer system	Municipal sewer system
Water Volume Discharged	20055	14105
Water Volume Recycled	0	0
Total waste produced	16.93 tons	12.63 tons
Total hazardous waste produced	0.23 tons	0.13 tons
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	16.93 tons	12.63 tons
Total Product Produced	6000000 pcs	4500000 pcs

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

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- 1.The factory established Anti-bribery and Anti-corruption policy and procedure.
- 2.The factory signed Anti-bribery agreement with suppliers and employees.
- 3.The factory had a transparent system in place for confidentially reporting.
- 4.A senior manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- 5.The factory had provided Business Ethics training for all employees.

Evidence examined:

Details:

- 1.Anti-bribery and anti-corruption policy and procedure
- 2.Anti-bribery agreement signed between suppliers and factory
- 3.Anti-bribery agreement signed between employees and factory
- 4.Training records
- 5.Management and workers interview

Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- Internal Policy
- Policy for third parties including suppliers

Please give details:

There was a policy on the need to avoid bribes and fraudulent practices.



<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had given training to relevant personnel (e.g. sales and logistics) on business ethics issues.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Examined each year by HR department and adjusted if needed.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The site had required suppliers to complete business ethics training and the site had provided relevant records.</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=d3vYsCe48fre69DRgIY_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.

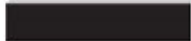
Root cause (see column 4)

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 Parameters				
Time in and time out	Day 1		Day 2	
	In	12:00	In	08:00
	Out	17:00	Out	17:00
Audit type:	FULL_INITIAL			
Was the audit announced?	SEMI_ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	[Redacted] / Office 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>	There was no union in the factory.		
<i>Reason for absence during the audit</i>	There was no union in the factory.		
<i>Reason for absence at the closing meeting</i>	There was no union in the 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	
6 - Working hours are not excessive	6.1	§1	1	0	0	NC - ZAF600165904
5 - Living wages are paid	5.1	§2	1	0	0	NC - ZAF600165905
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§3 §4 §5	3	0	0	NC - ZAF600165906 NC - ZAF600165907 NC - ZAF600165908

Local Law Issues




Issue	Description
§1	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.
§2	Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.
§3	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.
§4	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.
§5	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.

Non-Compliance		Evidence																								
[Back to findings summary]																										
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Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.	

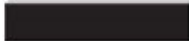


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	<p>employees had participated in disability caused by work-related injury insurance. Remark: The factory had bought the commercial injury insurances to 28 employees. Commercial accident insurance provided by "中国人寿保险股份有限公司" 社会保险参保不足。符合参保条件的员工参加社保的比例低于90%。根据提供的2023年8月份社保收据，企业的45名员工中，除去2名新员工及2名退休员工，41名应参保员工中有11人（27%）参加了医疗保险和生育保险，12人参加了养老、失业保险，22人参加了工伤保险。备注：工厂为28名员工购买了商业意外伤害保险。</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	<p>It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.</p>	


Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	[REDACTED]	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lack of knowledge of local law.	
Local law issue	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.	
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	No warning sign on partial electrical switches During facility tour, it was noted that 2 electrical switches no warning sign to alert electric shock. 局部电气开关上没有警告标志。现场走访时，发现2个电气开关没有触电警告标志。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	<p><u>No warning sign on partial electrical switches.jpg</u></p>
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.	

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The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.</td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>Gap between finished products stacks and walls was 0.1 meters. It was noted that the gap between finished products stacks and walls was 0.1 meters in the warehouse, which was less than the legal requirement of 0.5 meters. 仓库成品堆放与墙的间距为0.1米 注意到仓库成品堆放与墙的间距为0.1米，小于法定0.5米的要求。</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <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 </td> </tr> <tr> <td>Actions</td> <td>It is recommended that management adopt practices and controls to ensure that the width of gap between finished products stacks and walls are in accordance</td> </tr> </tbody> </table>		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 checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. 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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:	Aaron Xun	APSCA Number:	32200400
Additional Auditors:			
Date of declaration:	2023-09-12		

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:	Office director
Date of declaration:	2023-09-12
Comments:	<p>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</p>
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.



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:

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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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