



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000006351	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000006542	
Business name (Company name):	Yiwu Tianhong Clothing Co Ltd			
Site name:	Yiwu Tianhong Clothing Co Ltd			
Site address:	2F, Building E7, No.128 Fangshan Road, Fotang Town Yiwu 322002 CN	Country:	CN	
Site contact and job title:	Chen Pingwu / HR Manager			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-07-24			

Audit Company Name:
QIMA Ltd

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Jacky Xiong	APSCA Number:	21703595
Additional Auditors:			
Date of declaration:	2023-07-24		

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:	Chen Pingwu
Title:	HR Manager
Date of declaration:	2023-07-24
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<a href="#">0A - Universal rights covering UNGP</a>			0	0	0	
<a href="#">0B - Management systems and code implementation</a>			0	0	0	
<a href="#">1 - Freely chosen employment</a>			0	0	0	
<a href="#">2 - Freedom of association and right to collective bargaining are respected</a>			0	0	0	
<a href="#">3 - Working conditions are safe and hygienic</a>	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600112343 NC - ZAF600112344 NC - ZAF600112345
<a href="#">4 - Child labour shall not be used</a>			0	0	0	
<a href="#">5 - Living wages are paid</a>	5.1	§4	1	0	0	NC - ZAF600112346
<a href="#">6 - Working hours are not excessive</a>	6.1	§5	1	0	0	NC - ZAF600112347
<a href="#">7 - No discrimination is practiced</a>			0	0	0	
<a href="#">8 - Regular employment is provided</a>			0	0	0	
<a href="#">8A - Subcontracting and homeworking</a>			0	0	0	
<a href="#">9 - No harsh or inhumane treatment is allowed</a>			0	0	0	
<a href="#">10A - Entitlement to work and immigration</a>			0	0	0	
<a href="#">10B2 - Environment 2-pillar</a>			0	0	0	
<a href="#">10B4 - Environment 4-pillar</a>			0	0	0	
<a href="#">10C - Business ethics 4-pillar</a>			0	0	0	

## Local Law Issues

Issue	Description
§1	General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.5 The following requirements shall be met when designing the safety device: —Free the operator touching any movable spare parts in operation. Protection distance shall meet the provisions of GB 12265
§2	In accordance with Safety Code of Electric Power Industry—Part 1: Thermal and Machine, 3.5.5, once power switch shell and wire insulation are incomplete, have damage or live parts are exposed, electrical personnel should repair immediately, otherwise they are not allowed to be used. Damaged power plug and socket are not allowed to be used.
§3	In accordance with Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7, electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.

§4	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.
§5	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

## Site Details

Site Details		
Company Name	Yiwu Tianhong Clothing Co Ltd	
Site Name	Yiwu Tianhong Clothing Co Ltd	
GPS location (if available)	GPS Address:	2F, Building E7, No.128 Fangshan Road, Fotang Town, Yiwu City, Zhejiang Province, China
	Coordinates:	29.193 N, 120.033 E
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	The business license number is 91330782MA29RK9P2K. Valid Date: from 30-Jan-2018 to long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Seamless underwear	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>1.The facility was established in Jan-2018. The main product is seamless underwear with primary processes of knitting, cup setting, cutting, sewing, ironing, inspecting and packing. The business was owned by Ye Wenjie. 2. The facility rented 2F of one 6-storey building(Partial 7-storey floor) used as office, workshop and warehouse. 1F, 3F-7F of the building are shared with one company named Duocai Textile Co., Ltd. as office, workshop and warehouse. 3. The audit was performed in 1-man day by 1 auditor and included interviews and records inspection of 10 workers. Workers interviewed were 5 male workers and 5 female workers. All workers were favourable towards the facility. They enjoyed the work and stated it was a friendly environment. 4. Pay is always accurate and is paid on time, no issues with the pay slips were noted. Also, they stated that they felt comfortable in approaching with any concerns they have. 5. There were several non-compliances found in the audit as per the table, specific examples include in "Safety and Hygienic Conditions", "Living Wages and Benefits", "Working Hours".</p>	



Structure and number of buildings	Building Name:		E7 Building
	Floor	Description	Remark
	1F	Office and warehouse	Used by Duocai textile Co., Ltd.
	2F	Office, workshop and warehouse of Auditee	Used by auditee
	3F	Workshop	Used by Duocai textile Co., Ltd.
	4F	Workshop	Used by Duocai textile Co., Ltd.
	5F	Workshop	Used by Duocai textile Co., Ltd.
	6F	Workshop	Used by Duocai textile Co., Ltd.
7F	Warehouse	Used by Duocai textile Co., Ltd.	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issues were observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a building safety certificate which issued in Jan-2014.		
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	1.The main product is seamless underwear with primary processes of knitting, cup setting, cutting, sewing, ironing, inspecting and packing. 2.There are 2 knitting lines and 3 sewing lines, in the facility. 3.Main machines used are knitting machine, cup setting machine, cutting machine, sewing machine, ironing machine, metal detecting machine and etc.		
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:	There was no trade union in the facility.		
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: There was no accommodation provided to employees in the facility.

Audit Parameters			
Time in and time out	Day 1		
	In	08:20	
	Out	17:00	
Audit type:	FULL_INITIAL		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Chen Pingwu / HR Manager		
Is further information available	No		

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

## 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	0	0	0	48	0	0	0	48
Worker numbers – female	2	0	0	41	0	0	0	43
Total	2	0	0	89	0	0	0	91
Number of Workers interviewed – male	0	0	0	5	0	0	0	5
Number of Workers interviewed – female	0	0	0	5	0	0	0	5
Total – interviewed sample size	0	0	0	10	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: There was no peak season in the facility.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	NA

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:	4
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 worker complained anything during the interview.
What did the workers like the most about working at this site?	All workers said that they were satisfied with working condition.
Any additional comment(s) regarding interviews:	Workers expressed willingness to work in the facility and maintained good communication and relationship with management.
Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra to earn more money. All workers said that overtime working is voluntary and the overtime hours were acceptable.
Is there any worker survey information available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Cross check by document review, management interview and worker's interview, the facility had conducted background survey to all employees, including their home address, family members, education & working experiences and so on. Relevant survey information was well maintained by the facility. There was also an annual worker satisfaction survey conducted by management in the facility.

#### Attitude of workers:

The facility agreed that QIMA auditor conducted confidential interviews with workers; The facility has 10 workers and all of them were interviewed by auditor; The workers interviews were conducted at workshops on site and independent room that located at the office. The workers showed a cooperative attitude during the interview process. Based on the workers interview, workers expressed their positive attitude to management and workplace. All workers said that they were satisfied with working conditions and the wage in the facility. The information about interviewed workers is as follows: 1. For child labor issues, all interviewed workers said that the facility checked their ID cards to verify their ages and kept their ID copies during recruitment. No child labour was identified during the audit. 2. For forced labor issues, they said they were not required to the "deposit" or deposited their personal ID cards; the employees could resign at their option and should notice the facility in advance in 30 days. All interviewees said they can leave the facility freely after work-off during the lunch break and dinner break. 3. For discrimination issues, they said they could obtain the job based on their working experiences and abilities. Workers are not paid differently based on regional or ethnic difference if they engaged for the same work. All interviewees confirmed that no discrimination occurred in the facility. 4. For discipline practice issues, the interviewees said they would be warned if they broke the facility rules. 5. For safety and health issues, the workers were satisfied with the working conditions and the facility regularly provided safety training to workers. The new employed workers would be trained before they engaged their work. Fire drills were conducted periodically per year, the last fire drill which included the evacuation exercise and the use of the fire extinguishing facilities was conducted on 06 & 07-Apr-2023. For working hour's issues, all interviewed workers said they normally worked 5-6 days per week and 8-10 hours per day. All interviewees said that they are occasionally do a few overtimes on workday and overtime worked 8 hours on Saturdays. 7. For wages issues, all interviewees said that their wages were calculated by monthly rate and the wages were paid by bank transfer at the end of the following month. Paid annual leave and statutory holiday wage were available for them. 8. For freedom of association issue, there was a worker committee in the facility. They confirmed that they could complain to their supervisors directly and employee representatives or through suggestion box. 9. For Regular Employment issue, all interviewees said that the facility had signed contracts with them and kept the copies by themselves.

#### Attitude of worker's committee/union reps:

The worker representatives showed a cooperative attitude during the interview process. Based on the interview, the worker representatives expressed his positive attitude to management and workplace.

#### Attitude of managers:

The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private meeting room was arranged for worker interviews. Moreover, the management promised to take corrective actions for non-compliances.



**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 facility had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensuring it is communicated to all appropriate parties, including its own suppliers.

2. Mr. Chen Pingwu/HR Manager was appointed to be responsible for implementing standards concerning Human rights.

3. The facility had identified their stakeholders and salient issues.

4. The facility had measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

5. The facility had a procedure to show that the facility will address these issues and enable effective remediation if has an adverse impact on human rights within any of their stakeholders.

6. The facility had a transparent system in place for confidential reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

**Evidence examined:**

1.Human right policy and communication records of human right with employee review  
2.Management and workers' interview  
3.Facility tour

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Facility policy statement that expresses commitment to respect human rights.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

The policies were included in workers' manual.

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: Mr. Chen Pingwu/HR Manager is responsible for implementing standards concerning Human Rights.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a transparent system in place for confidential 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: The facility demonstrates effective data privacy procedures for workers' information, which is implemented.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year                      4.8% This year                        5.0%
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])	2.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year                      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: The facility provided the accidents record for review and it showed no accident happened in recent 12 months.

Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

## 0B - Management Systems and code Implementation

### [Summary of Findings]

#### 0B: Compliance Requirements

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.

0.B.3 Suppliers are expected to communicate this Code to all employees.

0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.

0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Current Systems and Evidence Examined

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

#### Current Systems:

1. Mr. Chen Pingwu/HR Manager was appointed to be responsible for compliance with the local laws and Codes.
2. The facility had established an internal audit and supplier assessment program on social responsibility.
3. The facility conducted social accountability assessment for itself and its suppliers.
4. The facility had communicated this Code to their suppliers.
5. The facility effectively communicated ETI base Code to all employees.
6. Based on talking with facility management, they were familiar with local laws and ETI Base Code.

#### Evidence examined:

1. Social accountability Policy and Procedure
2. Social accountability Assessment Report
3. Management and workers' interview
4. Facility 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:

In the last 12 months, the facility had no any fines/prosecutions for non-compliance to any regulations.

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

☒ Yes ☐ No

Please give details:

The facility had established relevant procedures about reduce the risk of forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) of effective implementation? Please give details.

Yes, the facility had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment & abuse. And all workers knew it.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

The facility had conducted training on the standards for forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training record was reviewed and it was cross checked with the management and workers.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No internationally recognised system certification was obtained by the facility.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Chen Pingwu/HR Manager
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Chen Pingwu/HR Manager
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a policy to ensure all worker information was confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a policy called human resource procedure to ensure confidential information is kept confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessments were conducted once a year to evaluate policy and procedure effectiveness.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a policy which requires labour standards of its own suppliers.
<b>Land Rights</b>	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility provided all required land rights licenses and permissions for review.

Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The Land in China mainland was belonged to the nation. Anybody, no matter the character, could only rent the land from governmental department for a period. So if the facility would like to use the land, it should apply for it from the 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 related record was provided by the facility.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility demonstrates that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts.
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 negative evidence was found.

## 1 - Freely chosen Employment

### [Summary of Findings]

#### 1: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. The facility rules and policies showed that employees could be freely resignation after communication with management in advance 30 days. No deposit would be required.

2. No force, bonded or involuntary prison labour was observed during the date of audit.

3. The employees obtained their job by themselves or by friend's recommendation.

4. They did not require lodging deposits or their Identity papers to the facility at the beginning of employment.

#### Evidence examined:

1. Facility Policy and Procedure

2. Personnel files

3. Resignation records

4. Employee handbook

5. Management and workers' interview

6. Facility tour

#### Any other comments:

Nil

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

☐ Yes ☒ No

Please give details:

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

☐ Yes ☒ No

Please give details:

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

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?

☐ Yes ☒ No

Please give details:

No any restrictions on workers' freedom to terminate employment.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?

☐ Yes ☐ No ☒ Not Applicable

Please give details:

Not applicable (the audited facility was not UK based or registered and turnover was less than £36m, so modern day slavery statement was not required for the audited facility).



Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no evidence of any restrictions on workers' freedoms to leave the site at the end of the work day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility understands the risks of forced / trafficked / bonded labour in its supply chain and no forced / trafficked / bonded labour happened in the facility.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had policy and procedures on reducing the risk of forced and trafficked labour.

## 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 facility had established a Worker Committee Management Procedure. It was identified that employee representatives should be elected by employees freely.
2. The procedure and meeting records showed that the committee communicated with facility management every two months. And relevant records were kept by the facility.
3. All interviewees confirmed that they could raise their complaints to the workers representatives and suggestion box.
4. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.

#### Evidence examined:

1. Complaint & handling record
2. Freedom of Association Policy
3. Meeting minutes of the workers committee meeting
4. Selection program and records
5. Management and workers' interview
6. Facility tour

#### 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:	There is worker committee with 2 employee representatives in the facility.	
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: H & S committee	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility provided adequate facilities to allow the Union or committee to conduct related business.
Name of union and union representative, if applicable:	N/A. There is no trade union in the facility.
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?	The facility had established a worker committee.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, all the interviewed workers said that they knew the worker representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-12-12
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.	Topics: Fire safety and employees complaints. The methods of minutes were communicated: 30 minutes.
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

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#### Current Systems:

1. The facility established a health and safety policy, and a health and safety committee were established in the facility.
2. Mr. Chen Pingwu/HR Manager was the representative of health and safety system.
3. Check records of firefighting equipment were available on site; it was identified that all firefighting equipment was checked by safety staff monthly.
4. Fire drill records with photos showed that the facility conducted fire drill in the facility. The latest fire drill was conducted on 06 & 07-Apr-2023.
5. There was 1 electrician in the facility. The certificate was provided by the facility for review during the audit. There are 4 elevators used by the facility. The inspection reports of elevators were provided for review.
6. Accident records were kept and provided for review. It was identified that no significant accident occurred in the facility. For any accident, the facility had conducted root cause analysis / corrective actions / preventive actions.
7. The facility provided the fire safety certificates and structure safety certificate of the buildings for review.
8. There were at least two exits on each floor in the facility.
9. Adequate toilets were provided in the facility.
10. Firefighting facilities were equipped in the facility.
11. PPEs were provided to workers free of charge, and PPE warning signs were posted on site.
12. Adequate first aid kits were equipped in place.
13. Based on site observation, the lighting was acceptable at each workshop.
14. Based on site observation, potable water was provided for workers at each workshop.
15. Based on workers interview, they could access potable water freely during working time.
16. Based on site observation, the facility building was secure.
17. Based on site observation, it was noted that no safety guard was installed for partial sewing machines and partial worker did not use eye-guard correctly during operation.
18. No outer insulation cover was install for one electrical switch box.
19. No warning sign was posted on two electrical switch boxes.

#### Evidence examined:



1. Health and safety policy
2. Training records and certificates
3. Fire equipment maintenance records
4. Fire drill records
5. Accident records
6. Management and worker interview
7. Facility 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 facility had general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and communicated to workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in worker's manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No structural addition was found.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors to the site were informed on H&S and were provided with personal protective equipment.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no medical room in the facility. However, sufficient first aid kits with supplies were available in the facility
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 3 trained first aiders with certificates in the facility.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No worker transport was provided in the facility.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is secure personal storage space provided for workers in their living space and fit for purpose.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: H&S Risk assessments were conducted and there were controls to reduce identified risk.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had met its legal obligations on environmental requirements including required permits for use and disposal of natural resources.

Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A. No customer requirement was provided.
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600112343</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 checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.5 The following requirements shall be met when designing the safety device: ——Free the operator touching any movable spare parts in operation. Protection distance shall meet the provisions of GB 12265</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>Based on site observation, it was noted that no needle guard was installed to approximately 80% sewing machines, and approximately 30% workers did not use eye guards on overlock machines correctly at the sewing workshop. 通过现场观察，发现工厂缝纫车间约占80%的针车没有安装护手指罩，占30%的员工没有正确使用锁边车的护眼挡板。</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 the facility should install needle guard for related sewing machines, and supervise all workers to use safety guard devices correctly. 建议工厂给相应针车安装护手指罩，并监督所有工人正确使用安全防护装置。</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600112343	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 checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.5 The following requirements shall be met when designing the safety device: ——Free the operator touching any movable spare parts in operation. Protection distance shall meet the provisions of GB 12265	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	Based on site observation, it was noted that no needle guard was installed to approximately 80% sewing machines, and approximately 30% workers did not use eye guards on overlock machines correctly at the sewing workshop. 通过现场观察，发现工厂缝纫车间约占80%的针车没有安装护手指罩，占30%的员工没有正确使用锁边车的护眼挡板。	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 the facility should install needle guard for related sewing machines, and supervise all workers to use safety guard devices correctly. 建议工厂给相应针车安装护手指罩，并监督所有工人正确使用安全防护装置。
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		<div><p><u>Worker did not use eye guard correctly.JPG</u></p></div> <div><p><u>No needle guard installed.JPG</u></p></div>																														



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

##### 4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

#### Current Systems and Evidence Examined

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

##### Current Systems:

1. The facility had established policy and procedure on prohibiting child labour.

2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview applicants and check ID cards to verify ages.

3. Checks of all workers' files showed that the facility kept valid and sufficient age information such as copies of ID cards, education certificates or other documents with employment history. And personal files showed that no child labour and young worker was identified in the facility.

4. Based on observation on site and workers interview, no child labour and young worker was identified during the audit. Based on document review, the youngest worker was 19 years old who born on 06-Jul-2004 and hired on 08-Jul-2023.

##### Evidence examined:

1. Recruitment policies

2. Employees' personal files/ Employment registration/roster

3. Management and workers' interview

4. Facility 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: There is no worker under 18 years old.

## 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. The facility had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The facility kept and provided payrolls from Jun-2022 to May-2023 for review during the audit. Workers were paid by monthly rated, and the local minimum wage standard was set at RMB2070 per month equivalent to RMB11.90 (2070/21.75/8) per hour since 01-Aug-2021.
3. Based on payrolls review, the overtime wages of workers were guaranteed.
4. The wages were paid by bank transfer at the end of next month. Workers did not work overtime on statutory holidays.
5. Based on facility rules review, if the facility rules were broken, relevant workers would be warned and trained.
6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers.
7. Based on workers and management interview, the facility provided detailed pay slips to all workers when they received wages.
8. Insufficient social insurance coverage was identified in the facility.

### Evidence examined:

1. Attendance records: Jun-2022 to audit day
2. Payrolls records: Jun-2022 to May-2023
3. Leave records
4. Labour contracts for all employees (to examine agreed wage rates)
5. Resignation records
6. Workers' Payslip
7. Social insurance receipts
8. Management and workers' interview
9. Facility tour

### Any other comments:

Nil

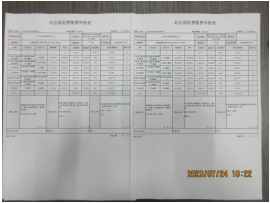
## Summary Information

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: 58.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2070.0	Actual Per Day: 119.54 Per Week: 597.7 Per Month: 2600.0	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: 44.82 Per Week: 224.0 Per Month: 956.32	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from May-2023 (current month) 10 samples from Dec-2022 (random month) 10 samples from Aug-2022 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Based on payment records review, the minimum wages paid by the factory were RMB2600 per month which above local minimum wages(RMB2070 per month).		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:No bonus was identified in the payment records.  Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and individual income tax.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Social insurance and individual income tax.		
Please list all deductions that have not been made.	Nil		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The records reflect all time worked.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
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: Through facility policy review, payment record review and workers interview, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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	<p>eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the facility should host training sessions to help them understand the importance of contributing toward social insurance schemes. 建议工厂确保所有的员工都参加上述提到的5种社会保险计划，从而根据法律的规定让员工享受相关法定福利。如果员工存在不愿意参加社会保险的情形，工厂应向员工提供相关培训以让其了解参加社会保险的重要性。</p>	
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## 6 - Working Hours are not Excessive [Summary of Findings]

### 6: Compliance Requirements

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

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

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

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

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

1. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the facility.
2. The attendance records showed that workers worked overtime on Workdays or Saturdays and Sunday contingently.
3. The facility kept and provided attendance records from Jun-2022 to the audit day for review during the audit.
4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours' overtime working), 54 hours (including 14 hours' overtime working) and 58 hours respectively.
5. Based on attendance records review, all workers were guaranteed one day off per week.
6. Based on observation on site, the facility used fingerprint attendance recorder to record employees' working hours.
7. Through workers' interview, overtime is voluntary.
8. Monthly overtime exceeded legal requirement.

### Evidence examined:

1. Facility policy
2. Working time records from Jun-2022 to the audit day
3. Workers' contracts
4. Quality records and production records to cross-check working hours
5. Management and worker interview
6. Facility tour.

### Any other comments:

Nil

## Working hours' analysis

### Systems & Processes

What timekeeping systems are used?	Fingerprint attendance recorder is used to record workers work time.
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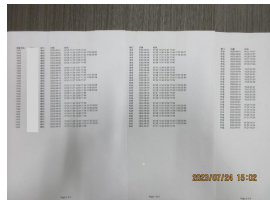

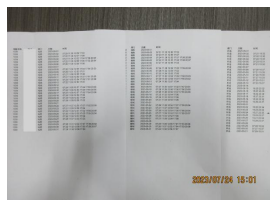
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:
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Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 9 out of 10 samples from current month (May-2023): Daily OT: Max. 2 hours Weekly OT: Max. 14 hours Monthly OT: Max. 58 hours 9 out of 10 samples from random month (Dec-2022): Daily OT: Max. 2 hours Weekly OT: Max. 14 hours Monthly OT: Max. 50 hours 9 out of 10 samples from random month (Aug- 2022): Daily OT: Max. 2 hours Weekly OT: Max. 14 hours Monthly OT: Max. 56 hours
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum weekly work time was 54 hours in the facility.
Approximate percentage of total workers on highest overtime hours:	70.0%

Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information  Please give details:  Based on employment contract, employee handbook and worker interview, the overtime in the facility was voluntary.
<b>Overtime premium</b>	
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 laborers remunerations that are higher than those for normal working hours: (1) 150 percent of the normal wages if an extension of working hours is arranged; (2) 200 percent of the normal wages if work is arranged on off days and no make-up off days can be arranged; (3) 300 percent 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  Based on the wage's payment record, attendance record and worker interviews, 100% workers were paid legal overtime compensation each month.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements  <input checked="" type="checkbox"/> Other
Please give details	(1) To pay no less than 150 percent of the normal wages if an extension of working hours is arranged; (2) To pay no less than 200 percent 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 percent of the normal wages if work is arranged on statutory holidays.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	The maximum weekly work time was 54 hours in the facility.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A. The maximum weekly work time was 54 hours in the facility.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No





Non-Compliance		Evidence																									
<a href="#">[Back to findings summary]</a>																											
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600112347</td></tr><tr><td>Clause</td><td>6 - Working Hours are not Excessive</td></tr><tr><td>Issue Title</td><td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td></tr><tr><td>Subcategory</td><td>Overtime</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</td></tr><tr><td>ETI code</td><td>6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</td></tr><tr><td>Explanation to the non compliance</td><td>The facility provided working hour records from 1-Jun-2022 to audit day for all employees for review, and auditor sampled working time records of 10 workers of May-2023(current month), Dec-2022(random month) and Aug-2022 (random month) for review, the maximum weekly working hour were 54 hours. Based on these records, 9 out of 10 sample workers worked overtime for 58 hours in May-2023(current month), 9 out of 10 sample workers worked overtime for 48-50 hours in Dec-2022 (random month), 9 out of 10 sample workers worked overtime for 56 hours in Aug-2022(random month). The monthly overtime exceeded 36 hours per legal requirement. 工厂提供了所有员工从2023年6月1日至审核当天的工时记录供审核, 审核员抽样了2023年5月(当前月)、2022年12月(随机月)和2022年8月(随机月)的10名员工的工时记录, 发现最大每周工时为54小时。根据记录, 10名抽样工人中有9人在2023年5月(当前月)加班时间为58小时, 10名抽样工人中的9名在2022年12月(随机月)的加班时间为48-50小时, 10名抽样工人中有9人</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600112347	Clause	6 - Working Hours are not Excessive	Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	Subcategory	Overtime	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" 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 PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	Explanation to the non compliance	The facility provided working hour records from 1-Jun-2022 to audit day for all employees for review, and auditor sampled working time records of 10 workers of May-2023(current month), Dec-2022(random month) and Aug-2022 (random month) for review, the maximum weekly working hour were 54 hours. Based on these records, 9 out of 10 sample workers worked overtime for 58 hours in May-2023(current month), 9 out of 10 sample workers worked overtime for 48-50 hours in Dec-2022 (random month), 9 out of 10 sample workers worked overtime for 56 hours in Aug-2022(random month). The monthly overtime exceeded 36 hours per legal requirement. 工厂提供了所有员工从2023年6月1日至审核当天的工时记录供审核, 审核员抽样了2023年5月(当前月)、2022年12月(随机月)和2022年8月(随机月)的10名员工的工时记录, 发现最大每周工时为54小时。根据记录, 10名抽样工人中有9人在2023年5月(当前月)加班时间为58小时, 10名抽样工人中的9名在2022年12月(随机月)的加班时间为48-50小时, 10名抽样工人中有9人	<div><p><u>Attendance records (3).JPG</u></p></div> <div><p><u>Attendance records (2).JPG</u></p></div> <div><p><u>Attendance records (1).JPG</u></p></div>
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	在2022年8月(随机月)加班时间为56小时。员工的月加班时间超过法规要求。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime. 建议工厂合理安排生产计划，用积极的手段(如奖金)提高生产率，减少加班时间，保证每天3小时以内，每月36小时以内。应教育员工过度加班对健康/安全的危害。	

## 7 - No Discrimination is Practiced [Summary of Findings]

### 7: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. According to management and workers interview, the facility did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. The management knew the requirement of non-discrimination.

#### Evidence examined:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payroll records
3. Attendance records
4. Termination records
5. Training records
6. Management and worker interview

#### Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0%	Female: 40.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	There are 38 women in skilled or technical roles in the facility.	
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	There was no evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation found.	
Professional Development		
What type of training and development are available for workers?	Job training, health and safety, environment training and etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	



## 8 - Regular Employment Is Provided

### [Summary of Findings]

#### 8: Compliance Requirements

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

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

#### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

1. The facility had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
2. Work performed was on the basis of recognized employment relationship established through national law and practice.
3. The facility signs labour contracts with workers within 30 days after employment. According to the worker interview, they had copies of labour contracts.
4. No homework was arranged; no apprenticeship scheme was practiced in this facility.

### Evidence examined:

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

### Any other comments:

Nil

## Responsible Recruitment

### All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Migrant Workers</b>	
Type of work undertaken by migrant workers:	Total 89 migrant workers were in production processes such as knitting, cup setting, cutting, sewing, ironing, inspecting and packing.
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: Not applicable
Is there any observation on this finding?	No such deduction.
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 Total 89 migrant workers were in production processes such as knitting, cup setting, cutting, sewing, ironing, inspecting and packing.
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. The facility did not use agency.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A. The facility did not use agency.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not use agency.
<b>Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)</b>	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not use contractor.

Do all contractor workers understand their terms of employment?

☐ Yes ☒ No

Please give details:

The facility did not use contractor.

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

#### 8A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. The supplier control policy was established in the facility.
2. It was verified through supplier control policy review, facility tour, management interview and workers interview that no home-working and sub-contracting was used by this facility.

#### Evidence examined:

1. Supplier control policy
2. Facility tour (Calculation on total production and estimated capacity)
3. Materials in/out records
4. Management and workers' interview

#### Any other comments:

Nil

### Summary of sub-contracting – if applicable

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

### Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No



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

**9: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. The facility was established prohibiting the policy about physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.
2. Based on site tour, workers and management interview, there was no harsh or inhumane treatment found in the facility.
3. The facility provided access to a confidential grievance mechanism for all workers.

**Evidence examined:**

1. Facility tour
2. Facility's no harsh or inhumane treatment procedure and policy review
3. Management and workers' interview

**Any other comments:**

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There are published, anonymous and open channels available for reporting any violations of Labour standards and H&S.
If yes, are workers aware of these channels and have access? Please give details.	The workers had free access to all channels.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Wechat, hotline and suggestion box.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	There is a grievance mechanism such as suggestion box or hotline in place for all groups above.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

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

### 10A - Entitlement to Work and Immigration

#### [Summary of Findings]

#### 10A: Compliance Requirements

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

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. All workers in the facility were Chinese, there were 89 workers that were migrant workers which came from Hunan, Yunan, Henan, Jiangxi, Anhui provinces, total 2 were local workers. All employees had the proper legal rights to work in this region. The youngest age was 19 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes. No agency staff or foreign worker was used by the facility.
2. The facility recruited the new workers by advertisements or the employees' recommendations.
3. All workers would be reviewed and validated with the original documentation before they are employed.

#### Evidence examined:

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

#### Any other comments:

Nil

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

**10B2: Compliance Requirements**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1. The annual monitoring report for facility boundary air and noise showed the pollutant discharging was compliant with environmental law. Based on site observation, wastes were collected on site.
2. There was no hazardous waste generated by the facility.
3. Based on workers' interview, workers were trained on environmental protection.

**Evidence examined:**

1. Legally required environmental documents
2. Environmental policy
3. Energy bills
4. Water bill
5. Renewal energy specification
6. Worker and management interview.
7. Facility tour

**Any other comments:**

Nil

## Attachments



[R-Cloud-23129400-Audit-Photos.pdf](#)



[CAPR\\_ZAA600017654-Signed.pdf](#)



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

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**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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