



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1035322	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS405500899	
Business name (Company name):	SUPERB INTERNATIONAL COMPANY LIMITED			
Site name:	SUPERB TEXTILE (JIASHAN) COMPANY LIMITED			
Site address:	B-2 Factory No.8 Cuckoo Road,Dayun Town, Jiashan County, Jiaxing City, Zhejiang Province 浙江省嘉兴市嘉善县大云镇杜鹃路8号B型-2号厂房 Jiaxing City 314100 CN	Country:	CN	
Site contact and job title:	Guo Qiang / General Manager			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-07-21			

Audit Company Name:
BUREAU VERITAS CPS - ASIA

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:	Michael Ma	APSCA Number:	21701157
Additional Auditors:	Davison Wang		
Date of declaration:	2023-07-21		

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:	Guo Qiang
Title:	General Manager
Date of declaration:	2023-07-21
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>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).</i> <i>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></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>	0.B.1		1	0	0	NC - ZAF600107448
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.1	§1 §2 §3 §4	5	0	0	NC - ZAF600107446 NC - ZAF600107447 NC - ZAF600116069 NC - ZAF600116070 NC - ZAF600116071
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1 5.1	§5	2	0	0	NC - ZAF600107444 NC - ZAF600107445
<u>6 - Working hours are not excessive</u>	6.1 6.1	§6	2	0	0	NC - ZAF600107442 NC - ZAF600107443
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

Local Law Issues

Issue	Description
§1	根据《中华人民共和国安全生产法》第42条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。 In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.

§2	<p>根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条：以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。 In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.</p>
§3	<p>根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。 In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.</p>
§4	<p>根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。 In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock.</p>
§5	<p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。 In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p>
§6	<p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p>

Site Details

Site Details			
Company Name	SUPERB INTERNATIONAL COMPANY LIMITED		
Site Name	SUPERB TEXTILE (JIASHAN) COMPANY LIMITED		
GPS location (if available)	GPS Address:	B-2 Building No. 8 Cuckoo Road, Dayun Town, Jiashan County, Jiaxing City, Zhejiang Province, China 浙江省嘉兴市嘉善县大云镇杜鹃路8号B型-2号厂房	
	Coordinates:	N: 30°46'53", E: 120°56'10"	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license No: 91330421MA29FB342U Valid from Apr 19, 2017 to Apr 18, 2037.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Scarf, Hat, Gloves		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The factory specialized in manufacture of Scarf, Hat, Gloves. Product processes included knitting, cutting, sewing, finishing, inspection & packing, with no process subcontracted to other factory. The product capacity was 5 million pieces per year. Per management interview, the peak season period was not obvious. Based on the management interview, there were 63 employees totally (14 males and 49 females) including 7 management employees and 56 production employees, and most of them were present on the audit day. The factory used electronic attendance system to record employees' working hours. The normal working hours were from 8:00-12:00, 13:00-17:00, overtime hours were from 18:00-21:00 generally. All employees were paid at hourly rate before the 25th of next month by bank transfer.		
Structure and number of buildings	Building Name:	1	
	Floor	Description	Remark
	1	Knitting, Cutting, Embroidering, Warehouse	Nil
	2	Cutting, Sewing, Finishing, Inspection & Packing	Nil
3	Warehouse	Nil	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no any visible structural integrity issues ntoed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Structural safety evaluation was conducted.		

Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	Select a month to Select a month
Process overview	The factory specialized in manufacture of Scarf, Hat, Gloves. Product processes included knitting, cutting, sewing, finishing, inspection & packing, with no process subcontracted to other factory. The product capacity was 5 million pieces per year.
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:	The workers' representatives.
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 dormitory provided for employees.

Audit Parameters		
Time in and time out	Day 1	
	In	08:00
	Out	16:00
Audit type:	PERIODIC	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Guo Qiang / General 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 labor union in the factory.		
<i>Reason for absence during the audit</i>	There was no labor union in the factory.		
<i>Reason for absence at the closing meeting</i>	There was no labor union in the factory.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	2	0	0	8	0	0	0	10
Worker numbers – female	22	0	0	22	0	0	0	44
Total	24	0	0	30	0	0	0	54
Number of Workers interviewed – male	1	0	0	1	0	0	0	2
Number of Workers interviewed – female	3	0	0	5	0	0	0	8
Total – interviewed sample size	4	0	0	6	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 groups for 4
Number of individual interviews:	Male: 2 Female: 8
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 type="checkbox"/> Favorable <input checked="" type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Nil
What did the workers like the most about working at this site?	They got paid on time and the factory treated them with respect and dignity.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	They were satisfied with the working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

Employees were randomly selected from all departments for private interview and group interview. In general, the attitude of workers was favorable. Workers said that the factory management treated them friendly, and they were satisfied with their working environment, payment and working time. The interview responses were coincident with the management interview and what the records showed. Apart from 10 workers interviewed listed in the worker's analysis table, another 2 for business ethics and 2 for environment as this was a 4-pillar audit.

Attitude of worker's committee/union reps:

The attitude of worker representative was favourable. No compliant was raised during interview.

Attitude of managers:

Management was courteous and cooperative during this audit and provided auditor access to production area, documents review and private workers interview.

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:

The factory was a private enterprise and had established the relative regulations regarding to human right. Also, employees can reveal their grievance through hotline. As per employee interviews, all employees were equally treated, no discrimination or harsh treated.

Evidence examined:

- Per human rights statement, and employee handbook, some anonymous grievance material, factory management interviews and worker interviews.

Any other comments:

Nil

<p>Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was a focus on labour right and aimed to address the responsibility of businesses to understand their broader human rights impacts.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The such policies were noted in the workers' manuals.</p>
<p>Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Name: Zhao Haizhu; Job title: HR Manager</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory has a confidential reporting system available to workers.</p>

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 business demonstrates effective data privacy procedures for workers' information, which is implemented.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 1.0% This year 1.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	0.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 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: There was no accident noted in the past year.
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:

The factory communicates this code to all employees by training as confirmed by training records and worker interviews. Responsibility for meeting the legal and client code requirements is shared between the HR Manager and the Health & Safety Manager. Together they are responsible to the factory manager for ensuring the standards are met.

Evidence examined:

- Internal audit documents
- Production and training records
- Client's code of conduct
- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No fine was noted.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies and procedures that exist help to reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies are communicated to workers via poster and annual training. Workers stated no forced labour, no child labour was found (through interview and document checks).
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established human right procedures including forced labour, child labour, discrimination and harassment and trainings were provided to all employees.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training records were provided for review. Per employee interview, they knew related requirement.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There was no any internationally recognised system certifications in the factory.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Zhao Haizhu, HR Manager who was handling HR in the factory.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Zhao Haizhu, HR Manager was responsible for implementation of the Code</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established a policy to ensure that all worker information is confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Only assigned responsible staff can have access to confidential information.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Risk assessment was conducted to evaluate policy and procedure effectiveness.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>After risk assessment, a senior management meeting will be held and discussed how to correct and avoid these issues happened again.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had conducted the assessment to its suppliers.</p>
<p>Land Rights</p>	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory provided the copy land right licenses for review.</p>

<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Not applicable in China.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: Not applicable in China.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: N/A, this was conducted by the local governmental authority.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: N/A, factory had no right of land acquisition in China.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No illegal appropriation of land.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600107448	
Clause	0B - Management Systems and code Implementation	
Issue Title	8 - No / inadequate management systems in place (e.g. not appropriate for site context, not effective in ensuring compliance)	
Subcategory	Site's Management systems & Monitoring	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Resolved by audit	ZAA600017589	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code	0.B.1 - Suppliers are expected to implement and maintain systems for delivering compliance to this Code.	
Explanation to the non compliance	<p>1. Description of non-compliance: 1 NC against ETI/Additional Elements 0 NC against Local Law 0 NC against customer code: It was noted that the factory only used the “√” symbol, “leave” and number on manual attendance records to record production workers attendance status and working hours per day; and the attendance records were not included detailed time in or time out each day, meals breaks, overtime time-in or time-out information. There was no workers’ signatures as acknowledgement on monthly manual records. Due to incomplete manual attendance records, auditors could not draw conclusions on related wage and working hour issues. ETI requirement: 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code. Recommended corrective action: It is recommended that management adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours. Action taken by: Ms. Yao Fangxia / Factory director Timescale: 60 Days Objective evidence observed: Per attendance records review.</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days	

	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours.	
Additional comments	The management will adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours. Appropriate Corrective Action Taken: The factory used electronic attendance system to record workers' attendance.	

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:

There is no forced, boned or involuntary prison labour. According to interview with workers and management, overtime was voluntary and workers could choose work overtime or not independently.

Evidence examined:

- Factory rules and regulations
- Employees’ contacts
- Employee handbook
- Other factory policy
- Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID’ (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers’ freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was 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?’	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A
Is there evidence of any restrictions on workers’ freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Employees can leave the factory at the end of the work day freely and not be restricted.

<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>The factory forbade its supply chain involving in any activity of forced / trafficked / bonded labour.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory would terminate corporation with its supply chain if any forced / trafficked / bonded labour issue noted.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The worker representatives were elected in the factory, regular meetings were conducted between worker representative and factory managements, the suggestions raised from workers were negotiated. The factory did not hinder free association and bargaining via interview of management and employee.

Evidence examined:

- Worker committee records;
- Worker representatives election records;
- Site policy on freedom of association and work selection policy;
- Management interview and employee interview;

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 was a worker committee in the factory.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box for raising concerns, or communication directly with factory management.
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: Committee meeting was held periodically.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker Committee Suggestion Box
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All workers aware of who their representatives are.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-03-06
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.	Last meeting day: Mar 6, 2023 Topic: Health & Safety
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic
[Summary of Findings]

3: Compliance Requirements

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety Management

- Potable water was available and free to approach in all areas of the factory.
- Toilets were sufficient, clean and segregated by gender, which were available for use by employees all the time.
- Ventilation, temperature and lighting were adequate for the production areas.
- H&S committee was established. And workers joined the committee.
- Meetings were held between the H&S committee (workers) and the H&S manager.

2. Fire Safety

- There were at least 2 exits from each work area and were clearly marked.
- Fire drills were conducted and recorded twice per year.

3. Electrical and Machine Safety

- Warning signs were available for electric equipment in the factory.
- Insulation devices were installed for electric equipment.

4. Medical Services

- There were adequate first aid kits in workshops and they were well stocked.
- Sufficient first aiders were available in the factory.

Evidence examined:

- Health and safety policy and manual
- Training records and certificates of using fire equipment
- Fire equipment maintenance records
- H&S Management interview and employees interview

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?

Yes No

Please give details:

The factory have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and these are 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 noted.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The H&S policy had requirements for visitors. The H&S notice and necessary PPE would be provided to all visitors when they entered the factory or production area.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No medical room in the factory, only first aid kits and first aiders were available.
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 1 first aider available in the factory.
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 transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided.
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: Risk assessment records were provided for review.
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: As of the current project category, production process, scale and pollutant status, the construction project was not included in the environmental impact assessment management scope. Thus no environment document was uploaded. In accordance with the Article 5 of Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects (2021 Revision), construction projects not specified in this catalogue shall not be included in the environmental impact assessment management of construction projects.


<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>As of the current project category, production process, scale and pollutant status, the construction project was not included in the environmental impact assessment management scope. Thus no environment document was uploaded.</p> <p>In accordance with the Article 5 of Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects (2021 Revision), construction projects not specified in this catalogue shall not be included in the environmental impact assessment management of construction projects.</p>
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Non-Compliance		Evidence																												
[Back to findings summary]																														
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>CLOSED</td> </tr> <tr> <td>Reference</td> <td>ZAF600107446</td> </tr> <tr> <td>Clause</td> <td>3 - Working Conditions are Safe and Hygienic</td> </tr> <tr> <td>Issue Title</td> <td>278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate</td> </tr> <tr> <td>Subcategory</td> <td>Personal Protective Equipment/Clothing</td> </tr> <tr> <td>New or carried over?</td> <td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td> </tr> <tr> <td>Raised by audit</td> <td>ZAA407833569</td> </tr> <tr> <td>Resolved by audit</td> <td>ZAA600017589</td> </tr> <tr> <td>Root cause</td> <td> <input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td> 根据《中华人民共和国安全生产法》第42条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。 In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use. </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>2. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that 1 out of 4 workers in knitting workshop was not wearing earplugs provided by factory. Local law: In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use. ETI requirement: 3.1 A safe and hygienic working environment shall be</td> </tr> </tbody> </table>		Non-Compliance		Status	CLOSED	Reference	ZAF600107446	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	Subcategory	Personal Protective Equipment/Clothing	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA407833569	Resolved by audit	ZAA600017589	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	根据《中华人民共和国安全生产法》第42条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。 In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.	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	2. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that 1 out of 4 workers in knitting workshop was not wearing earplugs provided by factory. Local law: In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use. ETI requirement: 3.1 A safe and hygienic working environment shall be	
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	<p>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. Recommended corrective action: It is recommended that management adopt practices and controls to ensure that necessary personal protective equipments are provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately. Action taken by: Ms. Yao Fangxia / Factory director Timescale: 30 Days Objective evidence observed: Per factory tour. Please refer to Non-compliance photo No.3</p>	
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	<p>The factory management should adopt practices and controls to ensure that necessary personal protective equipments are provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.</p>	
Additional comments	<p>The factory management should adopt practices and controls to ensure that necessary personal protective equipments are provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately. All workers in the factory were wearing properly PPEs during working.</p>	


Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600107447	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条：以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。 In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	<p>1. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that the transmission belts of 2 out of 2 overlocking machines in overlocking workshop were not equipped with pulley guards, and 1 out of 4 sewing machines using in sample making workshop was not equipped with needle guard. Local law: In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others,</p>	

	<p>which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. ETI requirement: 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. Recommended corrective action: It is recommended that management adopt practices and controls to ensure that all machines are equipped with safety devices. Action taken by: Ms. Yao Fangxia / Factory director Timescale: 30 Days Objective evidence observed: Per factory tour. Please refer to Non-compliance photo No.1 and No.2</p>	
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	N/A	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600116069	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。 In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.	
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	工厂织造车间3瓶化学品没有张贴内容标签。 It was noted that 3 bottles of machine oil in the knitting workshop were not posted with content labels.	
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	
		 No Content Label.JPG

Actions	建议所有在工厂内储存和使用的化学品都有张贴内容标签, 标签的内容要完整。 It is recommended that management adopt practices and controls to ensure that all the chemicals stored or being used in the factory are posted with content labels.	
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600116070	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
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	工厂机修间4桶机油和织造车间1桶机油没有放置在二次容器中防止泄漏。 It was noted that there were no anti-leakage facilities (e.g. secondary container) for 4 buckets of machine oil in the machine repairing room and 1 bucket of machine oil in the knitting workshop.	
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	建议工厂为所有化学品设置防渗漏设施/二次容器。 It is recommended that management adopt practices and controls to ensure that the anti-leakage facilities (e.g. secondary container) are used for the chemicals.	
		 <u>No Secondary Container.JPG</u>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600116071	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7，当心触电警示标志应安装在有可能发生触电危险的电器设备和线路，如：配电室、开关等。6.2 标志牌的材质：安全标志牌应采用坚固耐用的材料制作，一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。 In accordance with Article 2-7 of Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock.</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	工织造车间2个圆机上的电箱和裁剪车间1个电箱没有张贴警告标示。 It was noted that there were no warning signs posted on 2 electric boxes of circular knitting machines in the knitting workshop and 1 electric box in the cutting workshop.	
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	
		 <u>No Warning Sign.JPG</u>

	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	建议工厂对整个工厂的电器设备安装警示标志。 It is recommended that management adopt practices and controls to ensure that all electric equipment in the factory are marked to avoid electric shock.	

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

- 4: Compliance Requirements
 4.1 There shall be no new recruitment of child labour.
 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

Based on the review of the personnel files and employee interview, it was noted that all sample employees were above the age of 16 years old when hired by the factory. According to the factory policy, the factory had established procedure for screening and young workers less than 16 years old were prohibited to recruit.

1. The factory establishes a policy that they would never employ and use any child labour under the age of 16 years old.
2. The factory would verify all workers' original ID cards at the time of recruitment.
3. The youngest worker was 31 years.

Evidence examined:

- Latest list of employees
- management process of young worker
- Records of any health checks
- Management interview
- Worker interview.

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	31
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, There was no worker under 18 year 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:

Auditors randomly selected 30 workers' payroll and attendance records (10 from Oct 2022, 10 from Dec 2022 and 10 from May 2023) for testing. Per payroll registers and employees & management interview, all employees' wages were paid by bank transfer before the 25th of the following month based on hourly rate. All sample workers were paid RMB 13.8-14.95/hour as basic wage, which was higher than the local minimum wage of RMB 2070/month or RMB 11.90/hour since Aug 2021. All workers were properly compensated for overtime hours worked as legal requirement.

No illegal wage deduction was made in the factory, free lunch was provided.

Evidence examined:

- Wages and benefits policy;
- Local legal minimum wage documents;
- Payroll records in the latest 12 months;
- Annual leave records;
- Social insurance and payment receipts from the local labour department;
- Labour contracts for all employees (to examine agreed wage rates);
- Payslips of all workers interviewed;
- Hours records to check overtime premiums;

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: 176.0	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: 18.0 Per Month: 88.0	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: 95.24 Per Week: 476.0 Per Month: 2428.8	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples from Oct 2022 (random month) 10 samples from Dec 2022 (random month) 10 samples from May 2023 (current month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 13.8/hour		
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: Nil 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 fee and personal income tax		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	1. Personal part of income tax 2. Social insurance fee		
Please list all deductions that have not been made.	1. Social insurance 2. Tax Not all employees wage reached the tax threshold.		
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		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Employees stated that factory would pay for their time on trainings and meeting.</p>
<p>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.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage</p> <p><input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK</p> <p><input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation</p> <p><input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was one annual review when local wage rates are examined.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Through factory rules review, payroll records review and employee interview, it was confirmed that equal rates were paid for equal work.</p>
<p>How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600107444	
Clause	5 - Living Wages are Paid	
Issue Title	424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated	
Subcategory	Benefits & Insurance	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。 In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p>	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	<p>2. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 8 out of 35 employees were provided with pension, medical, maternity, unemployment insurance, only 28 out of 35 employees were provided with accident insurance in July 2019. In addition, 10 employees were provided with commercial</p>	

	<p>accident insurance from September 13, 2018 to September 12, 2019. Local law: In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. ETI requirement: 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. Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. Action taken by: Ms. Yao Fangxia / Factory director Timescale: 120 Days Objective evidence observed: Per social insurance receipts and commercial accident insurance receipt.</p>	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600107445	
Clause	5 - Living Wages are Paid	
Issue Title	406 - Unable to verify wages due to missing/ incomplete/ inconsistent records	
Subcategory	Record keeping and documentation	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Resolved by audit	ZAA600017589	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	<p>1. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that the factory only used the “√” symbol, “leave” and number on manual attendance records to record production workers attendance status and working hours per day; and the attendance records were not included detailed time in or time out each day, meals breaks, overtime time-in or time-out information. There was no workers’ signatures as acknowledgement on monthly manual records. Due to incomplete manual attendance records, auditors could not draw conclusions on related wage issues. ETI requirement: 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. Recommended corrective action: It is recommended that management adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours. Action taken by: Ms. Yao Fangxia / Factory director Timescale: 60 Days Objective evidence observed: Per payroll records review.</p>	
Follow up	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	

method		
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	N/A	
Additional comments	<p>The factory management should adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours.</p> <p>Appropriate Corrective Action Taken: The factory used electronic attendance system to record workers' attendance.</p>	

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

Through employees' interview, overtime is voluntary.

Based on the sample workers' attendance records provided by factory, it was noted that the maximum of overtime hours were 2 hours a regular day, 8 hours a rest day and 88 hours a month in the testing month. The maximum working hours were 58 hours a week. The longest consecutive working day was 6 days.

Evidence examined:

- Employee interview;
- Management interview;
- local and national laws;
- factory policy on working hours;
- working hours records from attendance system;
- sample pay slips with recorded hours of all workers interviewed;
- workers' contracts;
- Quality and production records to cross check hours;
- Leave records;

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used? Electronic attendance system

Is sample size same as in wages section? Yes No
Please give details:



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

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	2 hours a day, 18 hours a week and 88 hours a month in Oct 2022; 2 hours a day, 18 hours a week and 84 hours a month in Dec 2022; 2 hours a day, 18 hours a week and 76 hours a month in May 2023;
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The maximum working hours were 58 hours a week.
Approximate percentage of total workers on highest overtime hours:	33.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Per employee interview, all employees interviewed represented that they were voluntarily to work overtime.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150%, 200% and 300% rate of basic wage are paid for overtime hour's work on normal working days, rest days and statutory holidays respectively.

Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All sample employees were paid at least 150% and 200% rate of basic wage for overtime hour's worked on normal working days, rest days. No overtime hour worked on statutory holidays noted.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	N/A
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	N/A
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600107442	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p>	
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	<p>2. Description of non-compliance: 1 NC against ETI 1 NC against Local Law 0 NC against customer code: It was noted that 58 out of 83 sample population employees worked in excess of the statutory overtime hour limits. A review of 83 sample population employees' time records (26 samples from February 2019, 26 samples from April 2019, 26 samples from current paid month July 2019, and 5 samples from full attendance month August 2019) yielded the following: 6 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 40 to 68 hours) in February 2019, which was not in compliance with the legal requirement; 23 out of 26 sample population employees worked in excess of 36 overtime</p>	

	<p>hours per month (i.e. 80 to 96 hours) in April 2019, which was not in compliance with the legal requirement; 24 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 84 to 87 hours) in July 2019, which was not in compliance with the legal requirement; 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 to 94 hours) in August 2019, which was not in compliance with the legal requirement. Local law: In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. ETI requirement: 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. Recommended corrective action: It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. Action taken by: Ms. Yao Fangxia / Factory director Time scale: 60 days Objective evidence observed: Per payroll records review.</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600107443	
Clause	6 - Working Hours are not Excessive	
Issue Title	463 - Unable to verify working hours due to missing/ incomplete/ inconsistent records	
Subcategory	Hours - Record keeping and management systems	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA407833569	
Resolved by audit	ZAA600017589	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
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	<p>1. Description of non-compliance: 1 NC against ETI 0 NC against Local Law 0 NC against customer code: It was noted that the factory only used the “√” symbol, “leave” and number on manual attendance records to record production workers attendance status and working hours per day; and the attendance records were not included detailed time in or time out each day, meals breaks, overtime time-in or time-out information. There was no workers’ signatures as acknowledgement on monthly manual records. Due to incomplete manual attendance records, auditors could not draw conclusions on related working hour issues. ETI requirement: 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.</p> <p>Recommended corrective action: It is recommended that management adopt practices and controls to ensure that a reliable time recording system (e.g. swipe card, time clock) is implemented to completely and accurately record employees' working hours. Action taken by: Ms. Yao Fangxia / Factory director Time scale: 60 days Objective evidence observed: Per payroll records review.</p>	 <p style="text-align: center;"><u>IMG_0008.JPG</u></p>  <p style="text-align: center;"><u>IMG_0003.jpg</u></p>
Follow up	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	

method		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The factory used electronic attendance system to record workers' attendance.	
Additional comments	The factory used electronic attendance system to record workers' attendance. The factory used electronic attendance system to record workers' attendance.	

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:

Based on management interview, the factory's recruitment was only based on workers' working skills and abilities, and equal pay for equal work was ensured. According to documents review, workers interview and factory tour, there was 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 or political affiliation.

Evidence examined:

- The hiring and termination procedure;
- leave application records;
- Payrolls and attendance records;
- Training records;
- Employee interview;

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 43.0%	Female: 57.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	Confirmed by document review and workers interview, no discrimination case observed.		
Professional Development			
What type of training and development are available for workers?	Machine operating skill training, Health and safety training, working hour training, overtime working policy and wage payment training.		
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:

The factory had signed the labour contracts with all sample workers, which was confirmed through the employee interview.

Evidence examined:

- Hiring and termination practises
- Personal files
- Payroll records were provided for review.
- Contracts

Any other comments:

Nil

Responsible Recruitment

All Workers

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

Migrant Workers

Type of work undertaken by migrant workers:	All processes in the factory.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0

Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A, no such deduction.
Is there any observation on this finding?	N/A
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 5 migrant workers in skilled, technical, or management roles.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

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

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

No processes was subcontracted to outside. No home worker was used.

Evidence examined:

- Factory tour (Calculation on total production and estimated capacity);
- Materials in/out records;
- Factory Tour;
- Management and worker 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

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:

The factory has directly employed all the workers in production workshop. All workers in the factory own the legal right.

Evidence examined:

- Hiring procedure
- Personnel files
- Worker handbook

Any other comments:

Nil

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

10B4: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory manager was the designated person responsible for implementing standards concerning Business Ethics, and the site practices were conducted without any corruption and/or bribery.
- The factory established a business ethics policy which was communicated to workers through posters and training.
- The factory had received and read the Business Ethics policy of the auditor/audit company.
- Workers could report corruption case to factory top management through suggestion box or hotline.
- Based on document review and workers interview, no corruption case occurred in the factory during last year.

Evidence examined:

- Environmental policy
- Energy bills
- Water bill
- Waste transfer documentation
- Worker and management interview
- Site tour

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):	Tong Haixia, Factory Director
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Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted a risk assessment on the environmental impact of the site annually.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory monitored the daily operations and verified if the impact of environment was happened. If the key impact happened, the factory would address it. When production process was noted generated the impact on environment, the factory would adjust and improve the production process in order to reduce the environmental risks.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have any environmental certificates.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All legal environmental document had already been provided.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: There was a documentation process to record hazardous chemicals used in the manufacturing process.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had environment policy and risk assessment as well as monitoring report.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reduce water consumption and discharge, waste, energy and green-house gas emissions in the factory.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Weights of recycled waste are recorded for continuous improvement targets.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established related system.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All related records had been provided for review.

Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	90000	60000
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	2400	1400
Water Discharged	Municipal pipe	Municipal pipe
Water Volume Discharged	2400	1400
Water Volume Recycled	0	0
Total waste produced	8	4
Total hazardous waste produced	0	0
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	8	4
Total Product Produced	5000000	2000000

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

10C: Compliance Requirements
 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
 10C: Guidance for Observations
 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.
 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

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

Current Systems and Evidence Examined

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

Current Systems:

- It was noted that there was a designated person responsible for implementing standards concerning Business Ethics.
- The factory established a business ethics policy which was communicated to workers through posters and training.
- The factory had received and read the Business Ethics policy of the auditor/audit company.

Evidence examined:

Company business ethics policy including bribery, corruption, training records, worker handbook

Any other comments:

Nil

<p>Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.</p>
<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Relevant personnel knew the policy.</p>

<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Business Ethics Policy in the factory was updated every year.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No discussion on this topic with the 3rd parties</p>

Attachments



Warning Sign.jpg



Warning Sign for Occupational Hazardous.jpg



Emergency Light in the Staircase.jpg



Fire Alarm.jpg



Finished Product Warehouse.jpg



MSDS.jpg



Toilet.jpg



Electronic Attendance System.jpg



Secondary Container.jpg



PPE Sign.jpg



First Aid Kit.jpg



Finishing Workshop.jpg



Embroidering.jpg



Knitting Workshop.jpg



Drinking Place.jpg



Factory Name & Address.jpg



Ironing Workshop.jpg



Overall.jpg



Needle Guard.jpg



No Smoking Sign.jpg



PPEs.jpg



Evacuation Plan.jpg



Suggestion Box.jpg



Fire Hydrant and Fire Extinguishers.jpg



Emergency Light and Exit Sign.jpg



Cutting Workshop.jpg



Warehouse.jpg



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