



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC422674419	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS422674421	
Business name (Company name):	Tancheng Gaoda Hats Industry factory			
Site name:	Tancheng Gaoda Hats Industry factory			
Site address:	高大村，胜利镇 郯城县 临沂 276001 CN	Country:	CN	
Site contact and job title:	Li Xiuming / HR Manager			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-03-13			

Audit Company Name:
SGS_China

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:	Nicky Sun	APSCA Number:	21702515
Additional Auditors:			
Date of declaration:	2023-03-13		

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:	Li Xiuming
Title:	HR Manager
Date of declaration:	2023-03-13
Comments:	None

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1	§1	1	0	0	NC - dc02859b-7c09-4a83-bfb5-60609c6f7d93
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§2	1	0	0	NC - 5c6c8264-39fd-4eea-977a-dc81efa6f60f
6 - Working hours are not excessive	6.1	§3	1	0	0	NC - e9040e84-e690-4951-9335-2c85d932b9fd
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) 6.1.4 If the kinetic energy or potential energy of the movable parts (including their loads) may cause danger, it must be equipped with speed limit, anti-falling or anti-reversing devices
§2	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.

§3	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.
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Site Details

Site Details			
Company Name	Tancheng Gaoda Hats Industry factory		
Site Name	Tancheng Gaoda Hats Industry factory		
GPS location (if available)	GPS Address:	Gaoda Village, Shengli town, Tancheng county, Linyi, Shandong, China	
	Coordinates:	N 34.6447 E 118.2067	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license number: 91371322267150606Q. Valid was from Jan. 4, 1999 to long term.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Products: Straw Hat Activities at site: Cutting, Sewing, Heat Molding, Trimming, Inspection and Packing		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Tancheng Gaoda Hats Industry factory was found on January 4, 1999, which was located at Gaoda Village, Shengli town, Tancheng county, Linyi, Shandong, China. The factory mainly produced straw hats. The factory used one 5-floor building as office, production and warehouse, with total area 5,000 square meters. A total of 40 employees (8 management staffs) were working in the facility during the audit time. The employees worked for 5 days a week. Remark: There was another facility named as Tancheng Guanhong Arts & Crafts Plant (shortened as Guanhong hereafter) in the compound. The above-mentioned facility rented three flat buildings and one 2-floor building from the assessed facility. The renting agreement and business license of Guanhong were provided for review. On the assessment day, the area of occupied by the Guanhong was locked without worker inside. Per the facility management, they had no business relationship; and no worker co-mingling happened. Thus, only the area occupied by the assessed facility was covered in the audit.		
Structure and number of buildings	Building Name:	Building 1	
	Floor	Description	Remark
	1st floor	material warehouse, inspection workshop	built in 2015
	2nd floor	trimming, packing workshops and finished products warehouse	built in 2015
	3rd floor	heat molding, sewing and cutting workshops	built in 2015
	4th floor	office and show room	built in 2015
5th floor	warehouse for idle products	built in 2015	

Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No crack was observed.
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided Building Construction Registration record for the building.
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	January to December
Process overview	The factory was manufacturing straw hats. The main production processes were listed as below: Semi-finished materials-Cutting-Sewing-Heat Molding-Trimming- Inspection-Packing- Finished goods One production line. Main equipment: sewing machine (28), Molding machine: 12, Cutting machine: 2
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	There was a worker committee with one worker representative freely elected by workers.
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: NA - No dormitory was provided by the facility.

Audit Parameters		
Time in and time out	Day 1	
	In	09:00
	Out	17:00
Audit type:	FULL_INITIAL	
Was the audit announced?	SEMI_ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Li Xiuming / HR Manager	
Is further information available	No	

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	5	0	0	1	0	0	0	6
Worker numbers – female	25	0	0	1	0	0	0	26
Total	30	0	0	2	0	0	0	32
Number of Workers interviewed – male	2	0	0	1	0	0	0	3
Number of Workers interviewed – female	7	0	0	0	0	0	0	7
Total – interviewed sample size	9	0	0	1	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: NA - There was no peak season in the facility.
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 100%
	Salaried: 0%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: NA

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

Attitude of workers:
10 workers were selected for interview including 3 male and 7 female employees, they were interviewed as 1 group of 4 workers and the balance of 6 workers were interviewed individually. The workers were assured of confidentiality; and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory; and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as temperature in the working area to their worker representative who would take it to the worker management committee.
Attitude of worker's committee/union reps:
The interviewed worker representative stated that all workers were equally treated. The facility management were care about employees. The suggestions from employees would be well handled. Workers could have meeting with worker representatives without interference of the facility management. No negative feedback from worker representative.
Attitude of managers:
The facility management were cooperative during the assessment. The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditor took photos and copy relevant documents or records in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. The factory management had a system in place to check their current practices against their clients' requirements and the local law. The internal assessment was conducted by the facility. The facility had designated personnel being responsible for labours, working hours, wages and benefits, health and safety as well as environmental protection, etc.

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

0A: Compliance Requirements

- 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
- 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
- 0.A.3 Businesses shall identify their stakeholders and salient issues.
- 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all appropriate parties, including its own suppliers.
2. Ms. Li Xiuming/ HR Manager was a designated person responsible for implementing standards concerning Human rights.

Evidence examined:

- Management interview
- Workers' interview
- Documents review

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established the policy which stated that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The polices were included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Li Xiuming/HR Manger was responsible for implementing standards concerning Human Rights.

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The businesses had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employee information and personnel files are kept locked away in the human resources office and only viewed by the HR manager and his team.
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 7% This year 7%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2%
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 1% This year 1%
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)	1%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory kept and provided the accidents record for review. No accidents happened in the last 12 months.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0% This year 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%	
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%
	This year	0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0%
	12 month	0%

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory appointed Ms. Li Xiuming/HR Manager to be responsible for compliance with ETI Base Code.
2. The factory had maintained updated law profile onsite.
3. The factory established social responsibility system and policy in the factory, regular training was conducted.
4. Based on talking with factory management, they were familiar with local laws and ETI Base Codes.
5. The facility did not obtain internationally recognized system certifications, such as ISO 14000, ISO 9001.

Evidence examined:

- Social responsibility policy and procedure.
- Management system.
- Worker interview and management interview

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such fine or prosecutions were identified.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a policy and procedure that reduce the risk of forced labour, child labour, discrimination, harassment & abuse, such as the factory provided the training on relevant laws for all workers.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory trained the workers regularly and posted on notice board.
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 trained the managers and workers annually.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The training records were provided for reviewing.</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 Please give details: No such certificate was obtained.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Ms. Li Xiuming HR Manager</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ms. Li Xiuming 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 Please give details: Policy of confidentiality was established in employee's manual.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility established a procedure to ensure confidential information is kept confidential.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness, such as finance audit.</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 Please give details: If issues addressed, actions should be taken per interview with management and HR department manager.</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 Please give details: The factory required supplier for policy or code implementation.</p>
Land Rights	
<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 Please give details: The factory provided business license to prove the land using is legal, and no relevant negative information based on interview and web search.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory provided business license to prove the land using is legal, and no relevant negative information based on interview and web search.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the related policy.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Not applicable.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Not applicable.</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:</p> <p>There was no evidence of illegal appropriation of land for facility building or expansion of footprint.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements
 1.1 There is no forced, bonded or involuntary prison labour.
 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

1. The factory rules and policies showed that employees could be freely resigned after communication with management in advance 30 days. No deposit would be required.
2. No forced, bonded or involuntary prison labour was observed during the date of audit.
3. The employees obtained their job by themselves or by friend’s recommendation.
4. They were not required to lodge deposits or their Identity papers to the factory at the beginning of employment.

Evidence examined:

- Factory policies and procedures
- Employee handbook
- Personnel files
- Resignation records
- Contracts
- Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID’ (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers’ freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No restrictions on workers’ freedom to terminate employment were found during audit.
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a ‘modern day slavery statement’?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: NA

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No such restrictions were found during audit.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details: No forced/ trafficked / bonded labour was identified in its supply chain.</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: The factory had established the effective employment policies, and it was implemented by HR department. No restrictions on movement of the employees in the factory; and HR department would verify ID copies without any retention during recruitment process. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established a Worker Committee Management Procedure. It was identified that 1 employee representative was elected by employees freely.
2. The procedure and meeting records showed that the committee communicated with factory management frequently. And relevant records were kept by the factory.
3. All interviewees confirmed that they could raise their complaints to the worker representative and suggestion box.
4. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.

Evidence examined:

- The policy on freedom of association
- Minutes of the works committee meeting
- Interview with workers and management
- Interview with workers committee members
- Worker representative elected records

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	There was a worker committee within the facility.	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker representative and communicate with their supervisors.	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The relative policy and meeting records were provided for review.
Name of union and union representative, if applicable:	There was no union at the facility.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Workers committee. A worker's committee in place with 1 worker member elected by the workers to represent each section of the factory. Currently there was 1 active member of the worker committee.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The interviewees stated they knew their representative.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-11-30
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.	Regular meetings were held between worker representatives and management. The latest meeting was conducted on Feb. 23, 2023. The main topic was about facility policy training, safety training, working condition improvement.
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

- Ms. Li Xiuming/HR Manager was responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were monthly meetings between H&S committee and H&S coordinator.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient toilets segregated by gender were always available to workers.
- The factory provided potable water to workers free of charge in workshop.

2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Fire drill was conducted in the factory on Feb. 15, 2023.

3. Electrical safety

- Electrical equipment was maintained in good condition such as sockets, plugs and main fuse boards.

4. Chemical safety

- No chemical was used in the facility.

5. Medical services

- Sufficient first aid kits in each production area and they were well stocked.

Evidence examined:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records
- Building structure safety certificate
- Fire safety certificate
- Fire drill records
- Accident records
- Interview with factory management and workers
- Onsite observation
- Worker interview and management interview

Any other comments:

Nil

<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the Health and Safety policy and communicated to workers through trainings and worker handbook.</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>Employees' manual covered the Health & Safety and occupational Health & Safety policies.</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No structural additions without required permits/inspection were identified during the audit.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Visitors to the site were informed on H&S.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No local law requirement for the medical room. The facility had first aid kits in workshop.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>There was 1 trained first aider in the factory.</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>NA - no transportation was provided by the facility.</p>
<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>NA - no dormitory was provided by the facility.</p>
<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory conducted H&S risk assessment.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility obtained an EIA register.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on documents review, it was acceptable.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	dc02859b-7c09-4a83-bfb5-60609c6f7d93	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) 6.1.4 If the kinetic energy or potential energy of the movable parts (including their loads) may cause danger, it must be equipped with speed limit, anti-falling or anti-reversing devices	
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>10 heat punching machine were not installed with paddle guard which was used for preventing accidental triggering of the machine.</p> <p>10台热成型机没有安装脚踏板防护用以防止意外启动设备。</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 safety guard should be installed on machines.</p> <p>设备上应当安装安全防护措施。</p>	

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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established policy and procedure on prohibiting child labour.
 2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified.
 3. Checks of all workers' files showed that the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour and young worker was identified in the factory.
 4. Based on observation on site and workers interview, no child labour and young worker was identified during the audit. The youngest employee was 26 years old.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16 -18 are regarded as young labour.

Evidence examined:

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

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	26
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%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA - no worker under 18 years old

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The factory kept and provided payrolls from Mar. 2022 to Feb. 2023 for review during the audit. All workers were paid by hourly rate, and the local minimum wage standard was set at RMB 1700 per month (RMB 9.77/hour) since Oct. 1, 2021. The lowest hourly rate paid by the facility (RMB 10.92/hour, RMB 1900/month), which was above the local minimum wage standard. The facility did not have bonus or allowance scheme.
3. Based on payrolls review, the overtime wages of workers were guaranteed. The working day overtime and weekend overtime work were paid at 150% and 200% of the regular rate. The statutory holiday overtime work would be paid at 300% of the regular rate.
4. The wages were paid by cash before the 10th of the next month. No late payment was detected. The resigned workers were paid on resignation day. Workers signed on the payroll registers per month.
5. Based on factory rules review, if the factory rule were broken, relevant workers would be warned and trained.
6. Paid annual leave, marriage & funeral leave and maternity leave were provided for workers.
7. Not all employees were covered by social insurance. There were 32 production workers, with 12 reached at retirement age and no newly hired worker within one month. Thus, 20 production workers should be covered by five types of social insurance. However, only 5 out of 20 eligible workers (25% of eligible workers) were covered by five types of social insurance. In addition, another 27 workers were covered by commercial injury insurance, which was valid since Feb. 11, 2023 to Feb. 10, 2024.

Evidence examined:

- Payroll records from Mar. 2022 to Feb. 2023
- Attendance records from Mar.,2022 to the audit day
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Payslips of all interviewed workers
- Workers and management interview

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?

Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 12.0 Per Month: 58.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1700.0	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 1900.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 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 Feb. 2023 (Current) 10 samples from Dec. 2022 (Random) 10 samples from Oct. 2022 (Random)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The lowest wage paid by the facility was RMB 10.92 per hour (RMB 1900 per month), which was above legal limit wage.		
Please indicate the breakdown of workforce per earnings	0% of workforce earning under minimum wage 0% of workforce earning minimum wage 100% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:NA - No bonus scheme. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and income tax.		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	None. The facility paid social insurance for the 5 workers who joined the social insurance. Per the payroll records, the worker's wage was under income tax levying level (RMB 5000/month), thus no income tax was made from wage.		

Please list all deductions that have not been made.	<p>1. Social insurance: The facility paid social insurance for the workers who joined the social insurance. The workers who did not join the social insurance were also not deducted. Thus 100% of total workers were not deducted for social insurance.</p> <p>2. Income tax: Per the payroll records, the worker's wage was under income tax levying level (RMB 5000/month), thus no income tax was made from wage.</p>
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Based on the provided attendance records, workers' interview and production records, the records reflected all time worked.</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><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
If yes, what was the calculation method used.	<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>
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: There was an annual review when local wage rates were examined.</p>
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Through factory rules review, payroll records review and workers' interview, it was confirmed that equal rates were being paid for equal work.</p>
How are workers paid:	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	5c6c8264-39fd-4eea-977a-dc81efa6f60f	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing.</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>Not all employees were covered by social insurance. There were 32 production workers, with 12 reached at retirement age and no newly hired worker within one month. Thus, 20 production workers should be covered by five types of social insurance. However, only 5 out of 20 eligible workers (25% of eligible workers) were covered by five types of social insurance. In addition, another 27 workers were covered by commercial injury insurance, which was valid since Feb. 11, 2023 to Feb. 10, 2024.</p> <p>不是所有员工都参加了社会保险。工厂有32名生产工人，其中12人达到了退休年龄，没有新入职一个月内的员工。因此，20名生产工人应当参加五项社会保险。但是20名应参保人员中仅有5人（占应参保人员的25%）参加了五项社会保险。此外，另有27名工人参加了商业意外</p>	

	伤害保险，其有效期为2023年2月11日到2024年2月10日。	
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 type="checkbox"/> 60 days <input checked="" 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>All eligible workers should be covered by five types of social insurance.</p> <p>所有应参保人员应当参加五项社会保险。</p>	

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

6: Compliance Requirements

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:
- 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current Systems:

- 1. The factory kept and provided attendance records from Mar. 2022 to the audit day for review during the audit.
- 2. The facility used electrical time recording machine (face-recognition) to track working hours. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory. Normal working hours for employees: one shift for all employees 8:00-12:00, 13:00-17:00. The 1 to 2 hours' regular overtime work was conducted for 1 to 2 times per week. They worked 8 hours on Saturday and took rest on Sunday.
- 3. The attendance records showed that production workers worked overtime on Saturdays contingently and rested on Sundays fixed.
- 4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours, 52 hours (including 12 hours' overtime working) and 58 hours respectively.
- 5. Based on attendance records review, all workers had enjoyed one day off per week.
- 6. Through workers' interview, overtime is voluntary.

Evidence examined:

- Workers' interview
- Management interview
- Local and national laws
- Factory policy on working hours
- Time records
- Sample pay slips with recorded hours all workers interviewed
- Workers' contracts

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Electronic - face-recognition
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Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
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)	Feb. 2023 (Current month): 2 hours per day, 12 hours per week, 48 hours per month Dec. 2022 (Random month): 2 hours per day, 12 hours per week, 58 hours per month Oct. 2022 (Random month): 2 hours per day, 12 hours per week, 46 hours per month
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 combined weekly working hours were 52 hours including 12 hours' overtime work.
Approximate percentage of total workers on highest overtime hours:	80%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Based on workers interview, the overtime was voluntary.
Overtime premium	

<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% workers were paid with sufficient overtime premium on monthly basis.</p>
<p>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.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>NA</p>
<p>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)</p>	<p><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</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)</p>
<p>Please give details</p>	<p>NA - The total weekly working hours were less than 60 hours.</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>NA</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	e9040e84-e690-4951-9335-2c85d932b9fd	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input 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	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	The facility provided time records since Mar. 2022 to the audit day. There was no peak production season. Thus, the following months were selected as primary samples: Feb. 2023, Dec. and Oct. 2022. The monthly overtime hours of all 10 sampled workers from all processes exceeded legal limit in the sampled months. The maximum monthly overtime hours reached at 48 hours in Feb. 2023, 58 hours in Dec. 2022 and 46 hours in Oct. 2022. 工厂提供了2022年3月到审核当天的考勤。工厂没有生产旺季。因此如下月份被作为首要抽样月份：2023年2月，2022年12月和10月。来自全工序的所有10名样本员工的月加班在抽样月份中均超过了法律要求。最大的月加班分别达到了2023年2月48小时、2022年12月58小时、2022年10月份46小时。	
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 type="checkbox"/> 60 days <input checked="" 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 monthly overtime hours should be within legal limit of 36 hours.</p> <p>月加班应当控制在法律要求的36小时内。</p>	

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established policy and procedure on prohibiting discrimination. No evidence of discrimination was found in factory policies, rules, procedures and operation records.
2. According to payroll records, attendance records, termination records and training records review, no evidence showed that discrimination existed in the factory.
3. According to management interview and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethical beliefs and political background etc. Female workers and male workers had the same pay and working conditions. Promotion was based on worker's ability and skill. Training was based on working requirement. Per the policy, migrant workers had the same pay for same work and working conditions as the local workers.

Evidence examined:

- The hiring and termination procedure
- Leave application records and employee handbook
- Labour contract
- Termination records
- Attendance and payroll records
- Training records
- Worker interview and management interview

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50%	Female: 50%
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 checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No evidence of discrimination was found at the facility.	
Professional Development		
What type of training and development are available for workers?	All workers were given H&S training. New employees' probation training on EHS, HR policies, etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had documented disciplinary rules and communicated to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
2. The factory signed labour contracts with workers within 30 days after employment. According to worker interviews, they had a copy of the signed labour contract.
3. No homework was arranged. No apprenticeship scheme was practiced in this factory.
4. No employment agency was used.

Evidence examined:

- Document review
- Worker interview
- Labour contracts
- Personal files

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:	The migrant workers worked at the same posts as the local workers, such in sewing and packing workshops.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA - No deduction was made from wage.
Is there any observation on this finding?	No other observation was found.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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	NA - no agency was used by the facility.
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: NA - no agency was used by the facility.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA - no agency was used by the facility.
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: NA - no contractor on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA - no contractor on site.

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

8A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. Based on onsite observation and management interview, no homework was identified in the factory.
- 2. The factory had established social accountability manual including sub-contracting control procedure.
- 3. No homeworking was identified in the factory.
- 4. No sub-contractor was used by the factory.

Evidence examined:

- 1. Site tour (Calculation on total production and estimated capacity)
- 2. Management interview
- 3. Workers' interview
- 4. Materials in/out records

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by worker interviews, they were aware of the disciplinary procedure.
2. The factory established a policy on Harsh Treatment. Confirmed by worker interviews, there was no such negative evidence happened in the past.
3. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

Evidence examined:

- The relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation
- Training records
- Worker interview and management interview

Any other comments:

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was suggestion box and worker representative for reporting grievances.
If yes, are workers aware of these channels and have access? Please give details.	Confirmed through worker interview, all workers aware of these channels.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and worker representative.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Workers could raise grievances to supervisors, team leaders, or managers directly.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. Only workers with a legal right to work could be employed or used by the factory. The factory had established recruitment procedures and employment procedures. During the recruitment procedure, the applicants were required to provide the original document for review and age ascertain proof.
2. All workers were recruited directly by the factory. No agency was involved in facility's recruitment.
- 3 The factory recruited the new workers by the advertisements or the employee's recommendation.
- 4 All workers would be reviewed and validated with the original documentation before they were employed.

Evidence examined:

- Hiring procedure
- Personnel files and labour contracts
- Employee handbook
- Employee roster
- Worker interview and management interview

Any other comments:

Nil

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

10B2: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory established the procedure and policies on environment protection and communicated the information to employees by training.
2. The facility obtained an EIA register.
3. Based on workers interview, they were trained on environmental protection.

Evidence examined:

1. Environmental policy
2. Stationary pollution source register
3. Worker and management interview.
4. Site tour

Any other comments:

Nil



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