



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC407102429	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS407133137	
Business name (Company name):	Jiafeng Plastic Products Company LTD			
Site name:	Jiafeng Plastic Products Company LTD			
Site address:	No.6-1, Tanmian Road, Xikeng Village, Henggang Town, Longgang District, SHENZHEN, CHINA SHENZHEN 518115 CN	Country:	CN	
Site contact and job title:	Deng Minghui / HR manager			
Site phone:	0755-28641869	Site e-mail:	Jiafengcosmeticbag@163.com	
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:	2024-06-06			

Audit Company Name:
Intertek Shenzhen

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:	Peter Teng	APSCA Number:	21700384
Additional Auditors:	Gary Peng		21700380
Date of declaration:	2024-06-06		

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:	Deng Minghui
Title:	HR manager
Date of declaration:	2024-06-06
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
None	

Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
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 - ZAF600495978
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive	6.1	§2	1	0	0	NC - ZAF600495979
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with National Safety Technical Code for Electric Equipments-GB19517-2009 Article 2.3.3, Adequate measures shall be implemented to prevent anyone from touching or getting close to dangerous moving parts while the electric equipment is in normal operation, to prevent metal scraps and dust from flying off, to prevent liquid and gas from overflowing, and to avoid extremely high or low temperature of the equipment's outside.
§2	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Site Details

Site Details		
Company Name	Jiafeng Plastic Products Company LTD	
Site Name	Jiafeng Plastic Products Company LTD	
GPS location (if available)	GPS Address:	No. 6-1 Tanmian Road, Xikeng Village, Henggang Town, Longgang District, Shenzhen City, Guangdong Province, China
	Coordinates:	Latitude: N 22°37'20" Longitude: E 114°13'16"
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.: 914403006875687853; Valid date: long term since 14 April 2009	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	The products: cosmetic bags and packing bags; the main production processes: cutting, electrical pressing, sewing and packing processes.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>1. The facility (i.e. Jiafeng Plastic Products Company LTD) was located at No. 6-1 Tanmian Road, Xikeng Village, Henggang Town, Longgang District, Shenzhen City, Guangdong Province, China. The facility was established on 14 April 2009. The total land area occupied was about 1500 square meters. There was no obvious peak season or slow season in the facility. 2. There were 95 employees in the facility. All employees were hired directly by the facility, and there was no dispatched worker or contracted worker. There was 1 local management employee (0 male and 1 female) and there were 31 local non-management employees (12 males and 19 females) from Guangdong Province of China; there were 6 domestic migrant management employees (4 males and 2 females) and 57 domestic migrant non-management employees (24 males and 33 females) from other provinces of China (i.e. Hubei, Hunan, Guangxi, Henan, Guizhou, Sichuan and Jiangxi provinces of China). There was no foreign migrant worker from another country. 3. The normal working time was 8 hours per day and 5 days per week. There was one shift for all departments: 8:00-12:00 and 13:30-17:30 with meal break of 1.5 hours (12:00-13:30). There was overtime from 18:30 to 20:30 at night sometimes for the employees. There was no night shift in the factory. The wages were calculated on hourly basis. The workers' wages including normal wages and overtime wages etc. of one month were paid on or before the 10th day of the following month for 100% workers. 4. The factory used one 3-storey production building, one 1-storey security guard station building and one 4-storey dormitory building. The 1st floor of the 4-storey dormitory building was used as kitchen and canteen.</p>	

Structure and number of buildings	Building Name:		The production building
	Floor	Description	Remark
	Floor 1	Office, warehouse and cutting department	Year of establishment: 1992; the structure area of this floor: 670.3 square meters
	Floor 2	Electrical pressing and packing departments	Year of establishment: 1992; the structure area of this floor: 670.3 square meters
	Floor 3	Electrical pressing, sewing and packing departments; office	Year of establishment: 1992; the structure area of this floor: 670.3 square meters
	Building Name:		The security guard station building
	Floor	Description	Remark
	Floor 1	The security guard station	Year of establishment: 1992; the structure area of this floor: 20 square meters
	Building Name:		The dormitory building
	Floor	Description	Remark
	Floor 1	Kitchen and canteen	Year of establishment: 1992; the structure area of this floor: 137.25 square meters
	Floors 2-4	Bedrooms	Year of establishment: 1992; the structure area of each floor: 137.25 square meters
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No crack about facility building was observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had the report of construction completion acceptance for its building.		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	<p>The products: cosmetic bags and packing bags; the main production processes: cutting, electrical pressing, sewing and packing processes. The production capacity: 300,000 pieces per month; the main equipment: 2 cutting machines, 16 electrical pressing machines, 34 sewing machines, 1 needle detector, etc. There was no sub-contractor and all processes were completed in the facility.</p>	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	<p>The factory had a worker committee with 4 worker representatives. The worker representatives: Ms. Chen, etc. There was no trade union or other worker organization in the facility.</p>	
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was one 4-storey dormitory building and about 50% workers lived in the factory's dormitories.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	

Audit Parameters			
Time in and time out	Day 1		
	In	09:00	
	Out	16:00	
Audit type:	PERIODIC		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Deng Minghui / HR manager		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
		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
Reason for absence at the opening meeting	There was no trade union representative in the factory.		
Reason for absence during the audit	There was no trade union representative in the factory.		
Reason for absence at the closing meeting	There was no trade union representative 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	12	0	0	24	0	0	0	36
Worker numbers – female	19	0	0	33	0	0	0	52
Total	31	0	0	57	0	0	0	88
Number of Workers interviewed – male	1	0	0	3	0	0	0	4
Number of Workers interviewed – female	2	0	0	4	0	0	0	6
Total – interviewed sample size	3	0	0	7	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: Not applicable. The peak season was not obvious in the past year 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:	Not applicable.

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 workers (1 group of 4)
Number of individual interviews:	Male: 2 Female: 4
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?	There was no complaint from the interviewed workers.
What did the workers like the most about working at this site?	The working environment was comfortable, the management treated the workers friendly and the wages were good and paid on time.
Any additional comment(s) regarding interviews:	The interviewed workers said they enjoyed working in this facility.
Attitude of workers to hours worked:	The workers said their working hours were acceptable.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

The total number of the interviewed workers were 10 workers (4 males and 6 females), which included 6 workers as individual interviews (2 males and 4 females) and 4 workers as group interview (1 group of 4; 2 male and 2 females). During this audit, the interviewed workers were selected by auditor through document review and onsite tour. The workers were assured of confidentiality and they spoke freely of their views of the facility. All interviewees said they were satisfied with their employment and the provided wages which in their views were in line with legal wages in the locality; they felt free to leave their employer and understood the notice period required; they had good relationships with their supervisors and managers who treated them with respect; the workers could raise their suggestions, concerns or appeals through their representatives, telephone, suggestion box, and their team leaders or above, who would take it to the management; and sometimes, they had seen the facility had took some corrective actions accordingly.

Attitude of worker's committee/union reps:

There was no trade union in the facility. The factory had a worker committee with 4 worker representatives. The worker representatives conducted meetings quarterly (the latest meeting: 28 May 2024). One worker representative was present at the opening meeting, the audit and the closing meeting. The interviewed worker representative said that they were satisfied with the management and the working conditions, and stated that they could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner; and the facility did not interfere in their activities, and did not discriminate them.

Attitude of managers:

During this audit, the factory management was open and cooperative throughout the process of the audit. The factory designated several management staff to be responsible for this audit. The documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed auditor to select workers for interviews. In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliance as soon as possible. The management did not raise any negative feedback for the audit.

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 the Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The Human Rights Policy was endorsed by the general manager.
2. The factory had communicated Human Rights Policy to all appropriate parties including its own suppliers through regular trainings or providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps.
3. The factory had one designated person responsible for implementing standards concerning Human Rights and the designation paper was available for review.
4. The factory had assessed and measured the human rights impacts and issues of its stakeholders once per year and the facility's conclusion was that no salient negative human rights impact or issue was found in their stakeholders.
5. The factory had assessed and measured its direct, indirect and potential human rights impacts on its stakeholders once per year and the facility's conclusion was that there was no salient negative impact of human rights on its stakeholders.
6. Worker interviews, management interviews and the facility's regular assessment and measurement of its direct, indirect and potential human rights impacts on its stakeholders showed that the facility had no adverse impact of human rights on its stakeholders.
7. The factory had the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information were kept in lockers of the office. The workers' confidential and private information and data in computers were also controlled and accessed only to authorized person.
8. The factory had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the facility. Worker interviews confirmed that they were aware of this system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter.

Evidence examined:

1. The written Human Rights Policy; the training records about Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties.
2. The designation paper for the person responsible for implementing standards concerning Human Rights in the facility.
3. The assessment and measurement reports regarding the human rights impacts and issues of its stakeholders.
4. The assessment and measurement reports regarding its direct, indirect and potential human rights impacts on its stakeholders.
5. The policy and procedure for safeguarding workers' confidential and private data and information
6. The worker interviews and management interviews
7. The posters and trainings records about Human Rights Policy.
8. Onsite observation

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 had the Human Rights Policy covering human rights impacts and issues and expressing 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 relevant policies were included in the 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: The HR manager was the designated person for implementing standards concerning Human Rights in the factory. The appointment paper was available for review.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established a transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report human rights relevant complaints without fear of reprisal and such kind of information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review.
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 factory had the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information were kept in lockers of the office. The workers' confidential and private information and data in computers were also controlled and accessed only to authorized person.	
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	5.0%
	This year	5.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%	
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year	5.0%
	This year	5.0%
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)	1.0%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the accident reports and worker interviews, no accident occurred in the factory.	
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%

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 had the systems for delivering compliance to this Code. A CSR manual was created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
2. There was the designated and overall responsible senior person for establishing, implementing and meeting the relevant Code, requirements and standards. The appointment paper was available for review. The factory had a team responsible for establishing, implementing and meeting the relevant Code, requirements, standards as well as the internal audit including risk assessment of the social standards. If any non-compliance or risk was found, this team would take the corrective and preventive actions accordingly. The team conducted the internal audit once per year.
3. The factory had provided the valid land using permit and the property ownership certificate of the facility building for reviewing. The facility was operating legally and had the correct & valid business license.
4. The facility communicated the code to all workers by regular trainings.
5. The facility communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the facility also conducted social compliance assessments for its suppliers annually.
6. The internationally recognized management system certificate obtained by the factory: none.

Evidence examined:

1. The CSR manual; Client's code of conduct at the facility (posted in Chinese in the workplaces); Appointment papers for compliance responsible person; Internal audit documents (e.g. annual audit reports) from the internal audit team.
2. Business license; the land using permit and the property ownership certificate of facility building.
3. The appointment paper for the senior management responsible for compliance with the Code
4. Training records for workers
5. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers
6. Management interview and worker 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?

☐ Yes ☒ No

Please give details:

The auditor team checked this through internet, and no fine or prosecution was found for the factory.

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 the policies and procedures for forced labour, child labour, discrimination, harassment and abuse, and the factory had provided the relevant trainings for the workers.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Yes. The factory had the policies and procedures for forced labour, child labour, discrimination, harassment and abuse, and the factory had provided the relevant trainings for the workers. No non-compliance regarding forced labour, child labour, discrimination, harassment or abuse was found.
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 provided regular trainings about the standards of forced labour, child labour, discrimination, harassment and abuse for both management and workers, which was confirmed by the provided training records and interviews with both management and workers.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes. The regular training records were provided for review. The workers were aware clearly of the factory's policies and procedures about forced labour, child labour, discrimination, harassment and abuse according to the interviews.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not obtain the internationally recognized system certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The factory had the Human Resources department which was in charge of the recruitment of workers, assignment of workers' post, calculating the workers' working hours every month, etc.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was the designated and overall responsible senior person for establishing, implementing and meeting the relevant Code, requirements and standards. The appointment paper was available for review.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established and implemented the policy and procedure for safeguarding workers' confidential and private data and information.

Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established and implemented the policy and procedure for safeguarding workers' confidential and private data and information. Workers' confidential and private data and information were kept in lockers of the office. The workers' confidential and private information and data in computers were also controlled and accessed only to authorized person.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The risk assessment was conducted regularly by the factory to evaluate the effectiveness of the policy and procedure for safeguarding the workers' confidential and private data and information.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a team responsible for establishing, implementing and meeting the relevant Code, requirements, standards as well as the internal audit including risk assessment of the social standards. If any non-compliance or risk was found, this team would take the corrective and preventive actions accordingly.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had its supplier selecting policy and procedure to ensure all suppliers met the labour standards and this code. The factory communicated the code to their suppliers through providing copy of CSR manual and asking suppliers to sign the written social compliance commitments; and the factory also conducted social compliance assessments for its suppliers regularly.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the valid land using permit and the property ownership certificate of the facility building.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had conducted due diligence about the national laws and practices relating to land title through visiting government's website, consulting the government officials and verifying the legal documents of the land. The HR department was appointed to be responsible for updating the applicable law lists and conducting the internal audit for this point.

Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the written policy and procedure regarding the land rights. The factory had conducted due diligence to obtain free, prior and informed consent through visiting the government's website, consulting the government officials and verifying the legal documents of the land. The HR department was appointed to be responsible for updating the applicable law lists and conducting the internal audit for this point.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The land was bought from the local government before constructing the facility building and the land transferring fee receipts were available for review. The factory had the valid land using permit and the property ownership certificate of the facility building.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Not applicable, the factory did not have a plan of land acquisition.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was found in the audit. There was no illegal appropriation of land for the facility building or expansion of footprint.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had the written policy regarding prohibiting forced, bonded and prison labour. The policy stated that the factory did not require deposit or withhold workers' ID cards; the factory did not limit the workers' freedom; the factory prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The factory had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The factory had the employing handbook which was given to each worker on joining. The employing handbook stated that workers were free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.

Evidence examined:

1. Policy of prohibiting forced, bonded and prison labour
2. Recruitment procedure
3. Employing handbook
4. Personnel files and labour contracts
5. Resignation records
6. Onsite observation, 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 restriction on workers' freedom to terminate employment. Workers were free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period.

<p>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?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>Not applicable (the factory was not UK based or registered or turnover was less than 36m+, so modern day slavery statement was not required for the audited factory)</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There was not any restriction on workers' freedoms to leave the site at the end of the work day. According to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>According to the management interviews, the factory management understood the risks of forced / trafficked / bonded labour in its supply chain; and there was no forced / trafficked / bonded labour in its supply chain currently.</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>In order to reduce the risk of forced or trafficked labour in its supply chain, the factory had established and implemented the anti-forced or trafficked labour policy and procedure, provided the relevant trainings to the management and employees, communicated anti-forced or trafficked labour policy and procedure to its suppliers, conducted the internal social compliance audit and management review annually, and monitored the social compliance performance of its suppliers annually, etc. There was no forced / trafficked / bonded labour in its supply chain currently.</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 a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organization and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc.
2. The factory had a written policy about suggestions and appeals, which stated that workers could raise their suggestions, concerns or appeals through their representatives, telephone, suggestion box, and their team leaders or above, who would take it to the management.
3. There was no trade union in the facility.
4. The factory had a worker committee with 4 worker representatives. The worker representatives conducted meetings quarterly (the latest meeting: 28 May 2024). One worker representative was present at the opening meeting, the audit and the closing meeting.
5. The interviewed worker representative said that they were favourable with the management and the working conditions, and stated that they could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner; and the facility did not interfere in their activities, and did not discriminate them.
6. The interviewed workers confirmed that they were free to join trade union or workers' organization and enjoyed the right to collective bargaining.
7. The response records for workers' suggestions and appeals were available for review.
8. There was no collective bargaining agreement. The factory did not violate the local law about it.

Evidence examined:

1. Policy of freedom of association and right to collective bargaining
2. Policy about suggestions and appeals
3. The selection records and meeting records for worker representatives
4. Response records for workers' suggestions and appeals
5. Interviews with management, workers, and worker representative

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)

- ☐ Union ☒ Worker Committee
- ☐ Other ☐ None

Other details:

The factory had a worker committee with 4 worker representatives.

Is it a legal requirement to have a union?

- ☐ Yes ☒ 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: Through EHS committee representatives, telephone, suggestion box, and the facility management, etc.
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 factory provided the meeting room, paper and pens for the regular meetings of the worker committee representatives.
Name of union and union representative, if applicable:	Not applicable (there was no trade union in the facility).
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Yes. The audited factory had a worker committee with 4 worker representatives.
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: Per worker interviews, their representatives were selected by them, so they knew their representatives clearly.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-03-28
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The factory had a worker committee with 4 worker representatives. The worker representatives conducted meetings quarterly (the latest meeting: 28 May 2024). It took 1 hour to discuss the environmental, health and safety issues, wages, etc. in the latest meeting. The meeting minutes were posted on the notice boards.
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: the written Health and Safety Policy and Health and Safety Manual were established and implemented; there was the appointed person for the facility's health and safety issues and the appointment paper was available for review; the minutes of meetings showed that there were the regular meetings between the H&S committee (workers) and the Health and Safety Officer, and each point was acted on; the potable water was freely available in the facility; the sufficient clean toilets segregated by gender were available to all workers; the ventilation, temperature and lighting were adequate for all facility areas; the accident reports were available for review; the factory provided the evaluation report of occupational hazardous factors for review; the regular occupational health examination was provided to employees engaged in post with occupational disease hazards; there was the qualification certificate of safety production knowledge and management skill for the person for the management of work safety in the facility; there was the certificate of safety production knowledge and management skill for the principal in charge; the employees wore the provided PPE (Personal Protective Equipment) in work.
2. Fire Safety: the written emergency preparedness and response procedures were available for review; the facility appointed a manager to be responsible for the emergency preparedness and response; the valid fire safety certificate was available for the facility building; there were 2 safety exits for each facility floor; the factory's fire prevention related facilities included (1) fire extinguishers; (2) fire hydrants; (3) emergency lights; (4) safety exit signs; (5) fire alarms; (6) evacuation plans; (7) emergency assembly point sign; (8) "No smoking" signs; the fire prevention related facilities were inspected monthly, and the regular inspection records were available for review; the safety exit doors were adequate in terms of door type and opening direction; the evacuation routes were designed well with yellow lines and unblocked; the evacuation plans were posted at each safety exit and understood by all interviewed workers; the fire drills were organized and recorded twice per year in both production area and dormitory area; all workers attended the facility's regular fire drills including fire-fighting drills and evacuation drills; the emergency assembly areas were big enough, unblocked and adequately marked in the local language (i.e. Chinese).
3. Electrical safety: all electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards; the warning signs were posted on the electrical panels; there was the qualification certificate of the electrician.
4. Medical services: there were first aid kits with adequate first aid supplies in the facility and they were well stocked; there were the adequate first aiders in the factory.
5. Machine Safety: the regular inspection and maintenance records of the machines were available for review; there was no special appliance in the facility; non-compliance: Needle guards were installed but not used correctly for partial high speed sewing machines. During facility tour, auditor found that the needle guards were installed for all 5 high speed sewing machines in the sewing workshop on the 3rd floor of the 3-storey production building, but the needle guards for 2 out of 5 high speed sewing machines were removed upward and not used correctly by the workers.
6. Chemical safety: the workers exposed to chemicals confirmed that they had been trained on chemical safety; the hazardous chemical emergency response drill was conducted once per year, and the drill records were available for review; there was the MSDS for chemical; the safety label was available for chemical; the adequate secondary containment was available for chemical; there were the eye-wash stations at the places where the chemicals were used and stored.
7. Kitchen and canteen hygiene condition: the catering service permit of the canteen/kitchen was valid; the health certificates of cooks were valid; the refrigerator was available in the kitchen to store food; the kitchen and canteen area were clean, tidy and hygienic.
8. Additional dormitory condition: the dormitory area was clean, tidy and hygienic; 2-4 worker lived in each bedroom with about total 20 square meters; the toilet and bathing facilities were available in the dormitory; the adequate lockers were installed in each bedroom; the cool and hot water were available in each bedroom.

Evidence examined:

1. General Health and Safety management: the health and safety policy; the health and safety manual; the appointment document for the Health and Safety Supervisor; the health and safety committee minutes; the toilet cleaning records; the temperature recording sheets; the accident reports; the evaluation report of occupational hazardous factors (latest testing date: 14 March 2024); the qualification certificate of safety production knowledge and management skill for the person for the management of work safety in the facility (valid till 26 July 2026); the certificate of safety production knowledge and management skill for the principal in charge (valid till 13 November 2024); the PPE issuing and receiving records; and the occupational health examination reports.

2. Fire Safety: the appointment paper for the manager to be responsible for the emergency preparedness and response; the fire certificate (issued in 2004); the fire prevention facilities' regular maintenance and inspection records; the fire drill records (latest fire drill date: 20 March 2024).

3. Electrical safety: the electrical equipment maintenance and inspection records; the qualification certificate of the electrician (valid till 23 November 2024).

4. Medical services: the trained first aiders' certificates (valid till 13 November 2024).

5. Machine Safety: the regular inspection and maintenance records of the machines; the machine list.

6. Chemical safety: the chemical safety training records; the chemical list; MSDS for each chemical; the chemical emergency response plan and drill records (latest drill date: 8 April 2024).

7. Other evidence: onsite observation; interviews with Health and Safety Officer; interviews with workers and H&S committee members.

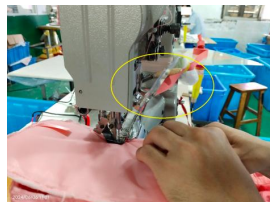
Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, and provided the pre-work and regular trainings about the Health and Safety policies and procedures to all workers, which was confirmed by the provided training records and worker interviews.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established and implemented the valid Health and Safety policies and procedures covering the occupational health and safety section, which was included in the workers' 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: There was no structural addition (e.g. floor added) for the facility buildings.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All visitors to the factory were informed about the factory's health and safety policy and procedure and provided with adequate personal protective equipment.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No medical room or medical facility was provided for the workers and there was no such legal requirement for the factory.

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: 1. There was no doctor or nurse in the factory; and doctor and nurse were also not required legally for the factory. 2. There were adequate first aiders in the factory. The first aiders were trained and obtained the valid certificates. 3. There were first aid kits with adequate first aid supplies in the facility and they were well stocked. 4. The workers were easy to access to first aid kits and first aiders.
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: Not applicable (the factory did not provide transportation to the workers; the workers did not need transportation service per worker interviews and management interviews).
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Adequate lockers were provided in the bedrooms of the dormitory building.
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: The health and safety risk assessment including evaluating the arrangements for workers doing overtime were conducted regularly. The controlling actions were taken to reduce identified risks, such as adequate meal breaks were provided for all workers; internal trainings were conducted for machine operators, posters on good Health and Safety practices were posted in workplaces; warning signs were posted at the places such as electrical panels, machine using places and PPE usage workstations, etc.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory met its legal obligations on environmental requirements and provided the environment related certificates, reports and records for review.

<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>The factory met its customer requirements on environmental standards including not using of banned chemicals. The factory had a responsible person who studied and collected the latest environmental and chemical requirements (e.g. banned chemical list) from the authorities both the end clients located countries and the facility located country (i.e. China) and from the end clients regularly through communicating with end clients or internet, then provided the trainings to all workers and implemented the updated & strictest environmental and chemical standards in the facility. The facility had conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the factory would analyze the root cause, take corrective and preventive actions accordingly.</p>
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600495978	
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	ZAA417343765	
Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with National Safety Technical Code for Electric Equipments-GB19517-2009 Article 2.3.3, Adequate measures shall be implemented to prevent anyone from touching or getting close to dangerous moving parts while the electric equipment is in normal operation, to prevent metal scraps and dust from flying off, to prevent liquid and gas from overflowing, and to avoid extremely high or low temperature of the equipment's outside.	
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>Needle guards were installed but not used correctly for partial high speed sewing machines. During facility tour, auditor found that the needle guards were installed for all 5 high speed sewing machines in the sewing workshop on the 3rd floor of the 3-storey production building, but the needle guards for 2 out of 5 high speed sewing machines were removed upward and not used correctly by the workers.</p> <p>工厂的部分高车有装针挡，但针挡没有被正确使用。现场审核时审核员发现1栋3层生产楼3楼车缝车间的所有5台高车都有装针挡，但是5台高车中有2台的针挡被工人向上移开了，没有正确使用针挡。</p>	
		<div></div> <p>NC-Needle guards were installed but not used correctly for partial high speed sewing machines.jpg</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	It is recommended that the factory should install and use the needle guards of all high speed sewing machines correctly; the factory should enhance onsite inspection and monitoring to ensure that the adequate protective devices are installed and used for all machines.	

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers; and the factory would never employ and use any child labour under the age of 16 years old.

2. There was a written juvenile worker and pregnant worker protection procedure although there was no juvenile worker or pregnant worker in the factory.

3. There was a written child labour remediation procedure although there was no child labour in the factory.

4. There was the written worker roster in the facility.

5. There were the personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card) for all workers. The ID card copy listed the worker's name, household address and the date of birth.

6. The youngest worker was 23 years old in the factory.

7. Management interview and worker interviews showed that the factory verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the factory would not recruit the applicant under the age of 16 years old.

Evidence examined:

1. Recruitment procedure

2. Juvenile worker and pregnant worker protection procedure

3. Child labour remediation procedure

4. Worker roster

5. Personnel files

6. Management interview and worker interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	23
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: Not applicable (there was no worker under 18 years old)

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current Systems:

1. The facility established and implemented the wage & benefit policy and controlling procedure, which were communicated to the workers through the regular trainings.
2. No monetary fine was used as disciplinary measure.
3. All workers' wages were calculated by hourly rates.
4. All workers were paid through bank transfer.
5. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment; each worker was given a pay slip and each worker signed for their wages when they were paid.
6. The sick leave, marriage leave, funeral leave, stoppage leave, paternity leave and childbearing leave etc. were provided to relevant workers adequately.
7. The payday:
 - 7.1 For the normal workers: The workers' wages including normal wages and overtime wages etc. of one month were paid on or before the 10th day of the following month for 100% workers.
 - 7.2 For the resigned workers: The resigned workers' wages were paid when the labour relationship was ended.
8. The local minimum wage standard was set at RMB 2360 per month equivalent to RMB 13.56 (2360/21.75/8) per hour since 1 January 2022.
9. All eligible employees had participated in basic endowment insurance, employment injury insurance, basic medical insurance, unemployment insurance and maternity insurance.
10. The previous SMETA audit was conducted on 17 November 2021. The payroll records from May 2023 to April 2024 (current month), and the attendance records from 1 May 2023 to 6 June 2024 (the audit day) were provided and reviewed. The sample size of payrolls records and attendance records for further checking on status of wages and working hours: 10 samples from April 2024 (current month); 10 samples from January 2024 (random month); 10 samples from September 2023 (random month).
11. The minimum wages and overtime wages:
 - 11.1 The minimum wage paid was RMB 2436-2958 per month equivalent to RMB 14 (2436/21.75/8)-17 (2958/21.75/8) per hour in the sampled months.
 - 11.2 Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.
12. The past Chinese spring festival were during February 2024. The attendance records and payrolls of the past Chinese spring festival were reviewed. According to these records, the workers rested about 2-3 weeks consecutively during the past Chinese spring festival; 3 days of statutory holidays for Chinese spring festival and at least 5 annual leave days among the mentioned 2-3 weeks' period were paid legally to the relevant workers. Some workers also applied for several days of the personal leave among this period. It was legal and acceptable.
13. No inconsistency regarding the workers' wages and working time was found between the payrolls, the attendance records, the production related records and worker interviews, so the workers' wages and working time were adequate and could be verified.

Evidence examined:

1. Wage & benefit policy and controlling procedure; and training records about wage and benefit policy and controlling procedure
2. Local and national laws
3. Disciplinary records
4. Labour contracts for all workers (to examine agreed wage rates)
5. Resignation records
6. Local legal minimum wage documents
7. Insurance payment receipts
8. Production records such as daily production quantity records, inspection records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
9. Worker interview and management interview.
10. The provided payroll, attendance records and leave records.

Any other comments:

Nil

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 14.0 Per Month: 52.0	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: 2360	Actual Per Day: 112 Per Week: 560 Per Month: 2436	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 Per Week: 0 Per Month: 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 April 2024 (current month); 10 samples from January 2024 (random month); 10 samples from September 2023 (random month).		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		

For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 2436 per month equivalent to RMB 14 (2436/21.75/8) per hour in the sampled months.
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: RMB 50 per month for bonus was provided for the workers per payrolls and worker interviews. 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:	1. Social insurance: retirement insurance, medical insurance, and unemployment insurance should be paid by both the workers and the employer (remark: maternity insurance and work-related injury insurance should be paid by the employer only). 2. Personal income tax would be deducted from the wages if the wages exceeded RMB 5000 per month.
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	Personal income tax had been deducted from the relevant workers' wages per legal requirements.
Please list all deductions that have not been made.	The social insurance was provided to the workers. Per law requirement, the employer should pay some part of social insurance fee, and the workers should also pay some part of social insurance fee. The social insurance fee of the workers' part was also paid by the factory as benefits, which was confirmed by reviewing of the social insurance receipts, the payrolls and worker interview.
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The attendance records reflected all time worked including the normal working hours and the overtime hours. The meetings were arranged during the time of work shift, the time for meetings was regarded as working time and paid legally.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:

Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory conducted internal social compliance audit regularly, which covered the review of the workers' wages, the local legal minimum wage standards and basic needs of workers plus discretionary income, etc.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and worker interviews, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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 established and implemented the voluntary overtime policy, working time policy and controlling procedure, which were communicated to the workers through regular trainings.

2. The workers' attendances were recorded by fingerprint system.

3. The previous SMETA audit was conducted on 17 November 2021. The payroll records from May 2023 to April 2024 (current month), and the attendance records from 1 May 2023 to 6 June 2024 (the audit day) were provided and reviewed. The sample size of payrolls records and attendance records for further checking on status of wages and working hours: 10 samples from April 2024 (current month); 10 samples from January 2024 (random month); 10 samples from September 2023 (random month).

4. Based on the provided attendance records and payrolls:

4.1 The standard normal working hours were 8 hours per day and 40 hours per week;

4.2 One day off in a week was assured;

4.3 The total weekly working time (i.e. normal working time plus overtime per week) was 42-54 hours;

4.4 Daily, weekly and monthly overtime hours as below:

0-2 overtime hours per day, 2-14 overtime hours per week and 48 overtime hours per month in April 2024 (current month); 0-2 overtime hour per day, 2-14 overtime hours per week and 48 overtime hours per month in January 2024 (random month); 0-2 overtime hours per day, 12-14 overtime hours per week and 52 overtime hours per month in September 2023 (random month).

5. The past Chinese spring festival were during February 2024. The attendance records and payrolls of the past Chinese spring festival were reviewed. According to these records, the workers rested about 2-3 weeks consecutively during the past Chinese spring festival; 3 days of statutory holidays for Chinese spring festival and at least 5 annual leave days among the mentioned 2-3 weeks' period were paid legally to the relevant workers. Some workers also applied for several days of the personal leave among this period. It was legal and acceptable.

6. No inconsistency regarding the workers' wages and working time was found between the payrolls, the attendance records, the production related records and worker interviews, so the workers' wages and working time were adequate and could be verified.

Evidence examined:

1. Voluntary overtime policy, working time policy and controlling procedure; and the training records about voluntary overtime policy, working time policy and controlling procedure
2. Labour contracts
3. Local and national laws
4. Production records such as daily production quantity records, inspection records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
5. Sampled pay slips with recorded hours of all workers interviewed
6. Worker interview and management interview
7. The provided payroll, attendance records and leave records

Any other comments:

Nil

Working hours' analysis**Systems & Processes**

What timekeeping systems are used?	The workers' attendances were recorded by fingerprint system.		
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days	<input type="checkbox"/> 2 in 14 days	<input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Maximum number of days worked without a day off (in sample):	6		

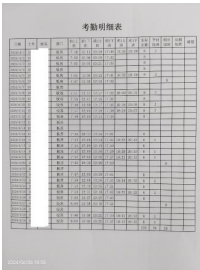
Standard/Contracted Hours worked

Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:		
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Overtime Hours worked

Actual overtime hours worked in sample (State per day/week/month)	0-2 overtime hours per day, 2-14 overtime hours per week and 48 overtime hours per month in April 2024 (current month); 0-2 overtime hour per day, 2-14 overtime hours per week and 48 overtime hours per month in January 2024 (random month); 0-2 overtime hours per day, 12-14 overtime hours per week and 52 overtime hours per month in September 2023 (random 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 weekly working hours were no more than 60 hours.
Approximate percentage of total workers on highest overtime hours:	33.3%
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: The voluntary overtime policy was provided for review. Regular trainings on voluntary overtime policy were provided for all workers. Through worker interview and documentation review, it was confirmed that overtime was voluntary. The workers could refuse the overtime arrangement without any punishment or negative impact.
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% of the normal wages were provided for the overtime hours on weekdays in the sampled months for 100% workers. Remark: Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 1. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers. 2. The workers' wages including normal wages and overtime wages etc. of one month were paid on or before the 10th day of the following month for 100% workers.
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	Not applicable. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.

<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>	<div> <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 </div> <div> <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify) </div>
<p>Please give details</p>	<p>Not applicable (the weekly working hours were no more than 60 hours)</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>Not applicable (the weekly working hours were no more than 60 hours). The voluntary overtime policy was provided for review. Regular trainings on voluntary overtime policy were provided for all workers. Through worker interview and documentation review, it was confirmed that overtime was voluntary. The workers can refuse the overtime arrangement without any punishment or negative impact.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The factory management said overtime hours were caused by labour shortages and tight delivery date of the purchase orders, etc.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

Non-Compliance		Evidence																											
[Back to findings summary]																													
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600495979</td></tr><tr><td>Clause</td><td>6 - Working Hours are not Excessive</td></tr><tr><td>Issue Title</td><td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td></tr><tr><td>Subcategory</td><td>Overtime</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA417343765</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td>The tight delivery dates of the purchase orders</td></tr><tr><td>Local law issue</td><td>In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</td></tr><tr><td>ETI code</td><td>6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</td></tr><tr><td>Explanation to the non compliance</td><td><p>Overtime hours exceeded the legal requirement. Auditor randomly selected 30 samples from the provided attendance records (i.e. 10 samples from the current month April 2024, 10 samples from the random month January 2024 and 10 samples from the random month September 2023). Auditor found that: 1) The monthly overtime hours were 48 hours for 10 out of 10 sampled employees in April 2024; 2) The monthly overtime hours were 48 hours for 10 out of 10 sampled employees in January 2024; 3) The monthly overtime hours were 52 hours for 10 out of 10 sampled employees in September 2023. Overtime hours violated the legal requirement (i.e. the overtime hours cannot exceed 36 hours per month).</p><p>加班时间超过法律要求。审核员从工厂提供的考勤记录中随机抽取了30个样本（即从当前月2024年4月抽取了</p></td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600495979	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	ZAA417343765	Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	Root cause - Other	The tight delivery dates of the purchase orders	Local law issue	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	Explanation to the non compliance	<p>Overtime hours exceeded the legal requirement. Auditor randomly selected 30 samples from the provided attendance records (i.e. 10 samples from the current month April 2024, 10 samples from the random month January 2024 and 10 samples from the random month September 2023). Auditor found that: 1) The monthly overtime hours were 48 hours for 10 out of 10 sampled employees in April 2024; 2) The monthly overtime hours were 48 hours for 10 out of 10 sampled employees in January 2024; 3) The monthly overtime hours were 52 hours for 10 out of 10 sampled employees in September 2023. Overtime hours violated the legal requirement (i.e. the overtime hours cannot exceed 36 hours per month).</p> <p>加班时间超过法律要求。审核员从工厂提供的考勤记录中随机抽取了30个样本（即从当前月2024年4月抽取了</p>	<div></div> <div><p><u>NC-Overtime hours exceeded the legal requirement.jpg</u></p></div>
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	10个样本，从随机月2024年1月抽取了10个样本，从随机月2023年9月抽取了10个样本）。审核员发现: 1) 2024年4月抽样的10名员工中有10人的月加班时间为48小时； 2) 2024年1月抽样的10名员工中有10人的月加班时间为48小时； 3) 2023年9月抽样的10名员工中有10人的月加班时间为52小时。加班时间违反了加班时间每月不能超过36的法律要求。
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that the factory should ensure the workers' overtime hours are within the legal requirements; the factory should deduce the workers' overtime hours through hiring more workers, communicating delivery dates of the purchase orders with the clients and enhancing production efficiency etc. and ensure the workers' overtime hours are within the legal requirements.

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 the anti-discrimination policy and procedure.
2. There were the regular trainings on anti-discrimination for the workers.
3. All interviewed workers spoke highly of the employer.
4. The factory did not require workers to do the examination of the hepatitis B virus and HIV.
5. The factory did not require female workers to do the examination of pregnant test.
6. There was no gender discrimination in the factory; both female and male workers were distributed in all types of work.
7. There was no evidence of sexual harassment.
8. 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, union or workers' organization membership or political affiliation in the factory.
9. There was an internal grievance process, all sampled workers were aware of the grievance channels in case they encountered any discrimination cases.

Evidence examined:

1. The anti-discrimination policy and procedure
2. The regular training records on anti-discrimination
3. The hiring and termination procedure; leave application records and employing handbook
4. Payrolls
5. Attendance records
6. Termination records
7. Management interview and worker 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)	5 female workers were the skilled quality inspection workers.		
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	No discrimination about hiring, compensation, access to training, promotion, termination or retirement was found.		
Professional Development			

What type of training and development are available for workers?	The on-going work skill trainings were available for all workers to progress and develop. The criteria for promotion, training and compensation were equal, fair and transparent for all workers.
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 complied with obligations to workers arising from the regular employment relationship.
2. The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory. The factory provided the regular trainings about the recruitment policy and procedure for all workers. The interviewed factory management and workers understood of the entire recruitment process.
3. There was the effective management system to identify and monitor the hiring and management of all workers. All workers were hired legally and treated equally in the facility.
4. There was no temporary worker and apprenticeship scheme in the factory. No home worker existed in the factory.
5. The factory did not require workers to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice, payrolls, etc.
6. The labour contracts were signed upon hiring and re-signed when the labour contracts expired. All workers received the copies of their labour contracts. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Evidence examined:

1. Personal files with labour contracts and ID copies for the workers
2. Recruitment policy and procedure
3. Trainings records about the recruitment policy and procedure
4. The recruitment notice at gate
5. Payroll records
6. Management interview and worker interview

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Same as actual conditions <input checked="" type="checkbox"/> Understood by workers
Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Migrant Workers	
Type of work undertaken by migrant workers:	All types of work included migrant workers.
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: Not applicable (there was no such kind of deduction from the workers' wages)
Is there any observation on this finding?	Not applicable (there was no such kind of deduction from the workers' wages)
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 9 domestic migrant workers were in the skilled quality inspection and 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	Not applicable (there was no agency worker in 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: Not applicable (there was no agency worker in 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: Not applicable (there was no agency worker in 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?	<div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div>Please give details: No contractor was used by the facility.</div>
Do all contractor workers understand their terms of employment?	<div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div>Please give details: Not applicable. No contractor was used by the facility.</div>

8A - Sub-Contracting and Homeworking
[Summary of Findings]**8A: Compliance Requirements**

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had established a policy to ensure sub-contracting would not be used unless previously agreed with the main clients.
2. The factory's all processes were finished within the factory.
3. The factory did not use sub-contracting.
4. The factory did not use home-working.

Evidence examined:

1. Policy on sub-contracting
2. Reviewing of the production records such as materials receiving and issuing records.
3. Facility tour (calculation on total production and estimated capacity).

Any other comments:

Nil

Summary of sub-contracting – if applicableIs 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 had established anti-harsh or anti-inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Worker interviews confirmed that they were aware of the anti-harsh or anti-inhumane treatment policy, and there was no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in the factory.

2. The factory had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure. Worker interviews confirmed that they knew the disciplinary procedure and there was no monetary fine.

3. The factory had communicated the anti-harsh or anti-inhumane treatment policy and the disciplinary procedure to the workers through regular trainings. Worker interviews confirmed that they attended these trainings regularly.

4. The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory. Worker interviews confirmed that they were aware of this system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter.

Evidence examined:

1. The anti-harsh or anti-inhumane treatment policy and the disciplinary procedure; the grievance mechanisms; the designation paper of the responsible person for the grievance mechanism

2. Training records regarding anti-harsh or anti-inhumane treatment policy and disciplinary procedure

3. Internal grievance procedure

4. Facility tour

5. Management interview and worker 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: The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory.
If yes, are workers aware of these channels and have access? Please give details.	The worker interviews and onsite observation showed that the workers were aware of these channels and can access these channels freely for reporting any violations without fear of reprisal towards them.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory.
Which of the following groups is there a grievance mechanism in place for?	<div style="display: flex; justify-content: space-between;"> <input checked="" type="checkbox"/> Worker <input checked="" type="checkbox"/> Communities </div> <div style="display: flex; justify-content: space-between;"> <input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Other </div>

Please provide grievance mechanism details	The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designation paper for the responsible person was provided for review. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. All workers were hired legally and treated equally in the facility.
2. All workers were Chinese and there was no foreign migrant worker from other country.
3. All workers had the proper legal rights to work in this region.
4. The youngest worker was 23 years old in the factory.

Evidence examined:

1. Hiring procedure
2. Personnel files with labour contracts and ID copies
3. Employing handbook
4. Facility tour
5. Management interview and worker interview

Any other comments:

Nil

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

10B4: Compliance Requirements

10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10.B4.7 Businesses shall make continuous improvements in their environmental performance.

10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

10B4: Guidance for Observations

10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory met the local and national environmental related laws and no violation of environmental related laws was found in the audit.
2. The factory obtained the valid environmental certificates and reports, e.g. Environment Impact Assessment Report, Environmental Protection Acceptance Checks Report for Completed Construction Project, Environment Impact Assessment Approval, and the monitoring testing report for pollutants.
3. Based on interviews with the factory management, it was confirmed that they were clearly aware of their end clients' environmental requirements. The factory established a system to monitor its performance against these environmental requirements.
4. The factory established the environmental protection policy with commitment of complying with environmental laws and continuous improvement; the factory had identified the key environmental impacts, and the environmental pollution emergency plan was also established in the factory. The factory provided the training regarding the environmental protection policy to the workers regularly, and provided the environmental protection policy to its suppliers and asked the suppliers to read it carefully and sign the commitment agreement of complying with the factory's environmental protection policy and the national environmental laws.
5. The factory management was clearly aware of its significant environmental impact and processes as well as pollutant.
6. The factory measured and monitored its environmental impact factors including monthly recording and quarterly reviews of use and discharge of natural resources, e.g. energy and water, and a matrix report was kept on file.
7. The factory made the continuous improvements in their environmental performance. E.g. saving the energy and reducing the consumption of water and electricity, etc.
8. The factory had established environmental management system, and provided the environmental policy, procedure and documentation (such as environmental certificates, reports and records) for reviewing during the audit.
9. There was the appointed responsible person for coordinating the factory's efforts to improve environmental performance. The written appointment paper was provided for reviewing.
10. The factory completed the appropriate environment section of the SAQ.
11. Through viewing the local government websites and interviews with factory management, it was confirmed that the factory had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Evidence examined:

1. The local and national environmental related laws;
2. The valid environmental certificates and reports, e.g. Environment Impact Assessment Report (compiled in 2013), Environmental Protection Acceptance Checks Report for Completed Construction Project (issued in 2013), Environment Impact Assessment Approval (issued in 2013), and the monitoring testing report for pollutants (latest test date: 28 July 2023);
3. The factory's end clients' environmental requirements; environmental training records; internal environmental inspections and audit reports;
4. Environmental protection policy; environmental pollution emergency plan; the suppliers' commitment agreements of complying with the factory's environmental protection policy and the national environmental laws;
5. Documentation about use and discharge of natural resources;
6. Continuous improvement plan in the environmental performance;
7. Environmental procedure and records (e.g. electrical bill, waste bill, waste list and collection records);
8. Appointment paper of environment responsible person;
9. SAQ in Sedex website;
10. Viewing the local government websites;
11. Interviews with factory management and non-management workers
12. Site tour

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

There was a manager responsible for environmental issues: Ms. Deng Minghui (HR manager).

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had conducted regular risk assessment on the environmental impact and identified the main environmental impacts of the factory, and the factory took some actions to reduce identified environmental risks accordingly.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not obtain the environmental system certificate.
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 established the environmental protection policy with commitment of complying with environmental laws and continuous improvement; and identified its key environmental impacts, and the environmental pollution emergency plan was also established in the factory.
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 these sustainability system certifications.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory obtained the valid environmental certificates and reports, e.g. Environment Impact Assessment Report, Environmental Protection Acceptance Checks Report for Completed Construction Project, Environment Impact Assessment Approval, and the monitoring testing report for pollutants.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The used hazardous chemicals included lubricating oil and cleanser etc. and the chemical list was available for review.

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 HR staff studied and collected the latest environmental and chemical requirements from the authorities both the end clients located countries and the factory located country (i.e. China) and from the end clients regularly through communicating with end clients or internet, then provided the trainings to both management staff and non-management workers and implemented the updated & strictest environmental and chemical standards in the factory. The factory had the internal audit team and the internal audit team conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the internal audit team would analyze the root cause, take corrective and preventive actions accordingly.
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: The reduction targets for environmental aspects such as water consumption and discharge, waste, energy and green-house gas emissions were available for review.
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: The factory had provided the monthly waste recycling and volume monitoring records for review.
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 provided the monthly consumption and monitoring data of key utilities of water, energy and natural resources that followed recognized protocols or standards for review.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not applicable (there was no subcontractor or business partner operating on the premise of the facility)
Usage/Discharge analysis	
Criteria	<div>Previous year: 2023</div> <div>Current year: 2024</div>
Electricity Usage: Kw/hrs	<div>215986</div> <div>89990</div>
Renewable Energy Usage: Kw/hrs	<div>0</div> <div>0</div>
Gas Energy Usage: Kw/hrs	<div>0</div> <div>0</div>
Has site completed any carbon Footprint Analysis?	<div>No</div> <div>No</div>
If Yes, please state result	

Water Sources	Local water authority	Local water authority
Water Volume Used	3542	1475
Water Discharged	Municipal sewage network	Municipal sewage network
Water Volume Discharged	3365	1401
Water Volume Recycled	0	0
Total waste produced	Wastewater: 3365 m ³ ; Living waste and other non-recyclable waste: 2300 kilograms; Recyclable waste: (1) waste packing materials and papers: 2560 kilograms; (2) waste production materials: 5800 kilograms; Hazardous waste: 120 kilograms	Wastewater: 1401 m ³ ; Living waste and other non-recyclable waste: 958 kilograms; Recyclable waste: (1) waste packing materials and papers: 1900 kilograms; (2) waste production materials: 2406 kilograms; Hazardous waste: 51 kilograms
Total hazardous waste produced	Hazardous waste: 120 kilograms	Hazardous waste: 51 kilograms
Waste to recycling	Recyclable waste: (1) waste packing materials and papers: 2560 kilograms; (2) waste production materials: 5800 kilograms	Recyclable waste: (1) waste packing materials and papers: 1900 kilograms; (2) waste production materials: 2406 kilograms
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	3600000 pieces	1500000 pieces

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

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory conducted their business ethically and no bribery, corruption or fraudulent business practice was found. The factory management received, signed, stamped and complied with the audit company's written business ethics documents in the audit.
2. The factory collected and provided the legal laws about business ethics and end clients' business ethics standards, and the factory met the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices and their end clients' business ethics standards.
3. The factory complied with all fiscal legislative requirements and all fiscal documents and data such as income, expense and profit data, were submitted and verified by the local government regularly.
4. The factory had a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter, and the interviewees knew these confidential reporting methods, e.g. the workers could use suggestion boxes and the posted telephone number and email address to report unethical business practice directly or anonymously and the facility management will deal with it and response to the reporter afterwards.
5. The factory established and implemented the written Business Ethics policy concerning bribery, corruption, or fraudulent Business Practice, and this Business Ethics policy clearly defined what behaviours were unacceptable.
6. The factory had the appointed responsible person for implementing the factory's Business Ethics policy. The written appointment paper was provided for reviewing.
7. The factory provided the trainings regularly on what action to take in the event of an issue arising in their areas for the persons with jobs of higher level of risks about ethical Business Practice e.g. sales, purchasing, logistics and financial staff; and the regular training records were provided for reviewing.
8. The factory posted Business Ethics policy in the notice boards of the factory. The factory provided the training regarding the Business Ethics policy to the workers regularly, and provided the Business Ethics policy to the third parties including its suppliers and asked the third parties including the suppliers to read it carefully and sign the commitment agreement of complying with the factory's Business Ethics policy.
9. The factory had not been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations according to the local government websites and interviews with factory management.

Evidence examined:

1. The written business ethics documents with factory responsible person's signature and stamp;
2. The legal laws about business ethics and end clients' business ethics standards;
3. The factory's fiscal documents and data such as income, expense and profit data;
4. The confidential reporting and dealing methods of unethical Business Ethics;
5. The factory's Business Ethics policy;
6. Appointment paper for the responsible person for implementing the factory's Business Ethics policy;
7. Training records about business ethics policy;
8. The suppliers' commitment agreement of complying with the factory's Business Ethics policy;
9. Viewing the local government websites;
10. Interviews with factory management and non-management workers
11. Onsite observation

Any other comments:

Nil

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

- ☒ Internal Policy
☒ Policy for third parties including suppliers

Please give details:

The factory established and implemented the written Business Ethics policy concerning bribery, corruption, or fraudulent Business Practice, and this Business Ethics policy clearly defined what behaviours were unacceptable. The Business Ethics policy was posted out in the notice boards of the factory. The factory provided the training regarding the Business Ethics policy to the workers regularly, and provided the Business Ethics policy to the third parties including its suppliers and asked the third parties including the suppliers to read it carefully and sign the commitment agreement of complying with the factory's Business Ethics policy.

Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?

- ☒ Yes ☐ No

Please give details:

The factory provided the trainings regularly on what action to take in the event of an issue arising in their areas for the persons with jobs of higher level of risks about ethical Business Practice e.g. sales, purchasing, logistics and financial staff; and the regular training records were provided for reviewing.

Is the policy updated on a regular (as needed) basis?

- ☒ Yes ☐ No

Please give details:

The factory established and implemented the written Business Ethics policy concerning bribery, corruption, or fraudulent Business Practice, and this Business Ethics policy clearly defined what behaviours were unacceptable. The factory checked and updated the written Business Ethics policy regularly.

Does the site require third parties including suppliers to complete their own business ethics training

- ☒ Yes ☐ No

Please give details:

The factory required third parties including suppliers to complete their own business ethics trainings regularly.



Attachments



Facility gate.JPG



Facility name.JPG



Production building.JPG



Raw material warehouse.jpg



Finished goods warehouse.jpg



Cutting process.JPG



Electrical pressing process.JPG



Sewing process.JPG



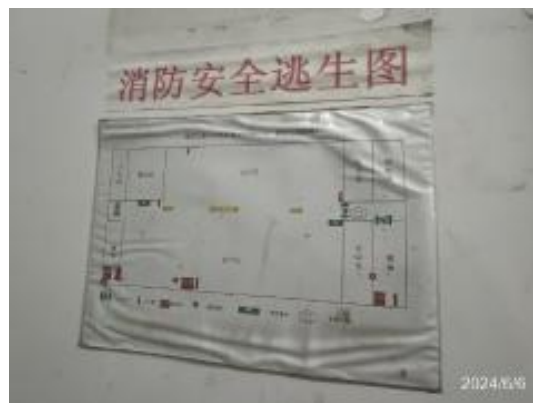
Packing process.JPG



Electronic box with warning sign.JPG



Evacuation direction sign.JPG



Evacuation plan.JPG



Explosion proof light.jpg



Fire extinguisher.JPG



Fire hydrant and fire alarm.JPG



Sign of No Smoking.jpg



PPE sign.JPG



PPE (earplugs) wearing.JPG



Safety exit sign and emergency lights.jpg



Safety warning sign.JPG



Sewing machine with needle guard.JPG



MSDS and chemical storage cabinet.JPG



Eye wash station.JPG



Toilet.JPG



First aid kit.JPG



Drinkable water facility.JPG



Attendance machine.JPG



Suggestion box.JPG



Dormitory building.jpg



Kitchen.JPG



Canteen.JPG



Dormitory room.JPG



NC-Needle guards were installed but not used
correctly for partial high speed sewing machines.jpg

[illegible]

NC-Overtime hours exceeded the legal requirement.jpg



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Plastic Products CAPR (onsite signed).pdf



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

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

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