



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC407871569	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS408035110	
Business name (Company name):	ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD			
Site name:	ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD			
Site address:	Part One of No.1 Huangwukeng Road, Wushi Village, Sanxiang Town Zhongshan City 528463 CN	Country:	CN	
Site contact and job title:	Mr. Wei Xiaobing / Manager			
Site phone:	0760-85886318	Site e-mail:	264549801@qq.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:	2024-08-08			

Audit Company Name:
GCL International

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:	Lucy Zou	APSCA Number:	21700014
Additional Auditors:			
Date of declaration:	2024-08-09		

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:	Mr. Wei Xiaobing
Title:	Manager
Date of declaration:	2024-08-09
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>
	Nil

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management Systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1 3.1 3.1	§1 §2 §3 §4 §5	5	0	0	NC - ZAF600576685 NC - ZAF600576686 NC - ZAF600576687 NC - ZAF600594906 NC - ZAF600594907
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1 5.1	§6 §7	2	0	0	NC - ZAF600576688 NC - ZAF600594908
6 - Working hours are not excessive	6.1 6.1	§8 §9	2	0	0	NC - ZAF600576689 NC - ZAF600594909
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 Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.
§2	In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19, the unit shall, according to the danger of chemical, identify the containing, transportation, or storing equipment with specific color, label or sticker.

§3	In accordance with Special Appliance Quality Safety Monitoring Regulation article 38, the operator of special appliances (mentioned in Article 2, such as boiler, compressing equipment, lift, lifting appliance, Operators and managers of special vehicles in the facility (onsite) shall undergo relevant examination and qualifications to obtain special appliances certificate from the Special Appliance Quality Safety Monitoring department before operating those appliances.
§4	In accordance with Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.
§5	<p>In accordance with the PRC Law of Prevention and Control of Occupational Diseases article 36, the employer shall conduct regular occupational health examination for those laborers who are engaged in using or contacting noxious articles in their working process as required by medical administrative department under the State Council. The occupational health examination should be conducted before laborers start to take work post, in the course of the work post and after leave the work post and employer should inform the laborers of the result of the occupational health examinations. The expense of the occupational health examination should be borne by employers. Employer should not arrange laborers without the occupational health examination to be engaged in the work with using or contacting noxious articles, or laborers with any occupational prohibitions to be engaged in the prohibited work from them.</p> <p>Once the occupational health examination indicates that employee is suffering from the occupational disease in relation to his or her occupation, the employer shall transfer such a laborer out of his or her original work post, and allocate him or her in a proper way. Employer should not rescind or terminate the contracts signed with those employees without the occupational health examination at time of leaving the work post.</p> <p>The occupational health examination should be conducted by the medical organizations authorized by the medical administrative department above province-level.</p>
§6	In accordance with the PRC Labour Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child bearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.
§7	In accordance with the PRC Labour Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) childbearing. Therefore, according to this national law, all five types of social insurance schemes mentioned above should be provided for all employees of a factory.
§8	In accordance with the China 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.

§9	In accordance with the China 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.
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Site Details

Site Details			
Company Name	ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD		
Site Name	ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD		
GPS location (if available)	GPS Address:	Part One of No.1 Huangwukeng Road, Wushi Village, Sanxiang Town, Zhongshan City, Guangdong Province, China	
	Coordinates:	Latitude: N22°22'05.25" Longitude: E113°25'17.25"	
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: 914420000901952694 with a period of validity from 15 Jan, 2014 to Long term (updated on 7th Jan, 2020).		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture of Woollen sweater		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD was specialized in manufacturing of Woollen sweater. It was founded on 15 Jan, 2014. The factory was located at Part One of No.1 Huangwukeng Road, Wushi Village, Sanxiang Town, Zhongshan City, Guangdong Province, China. The facility occupied about 6,000 square meters and possessed one four-storey building used as office, production workshops and warehouses. The facility did not provide dormitory or canteen for workers. On the audit day, there were totally 58 employees in the factory including 53 production workers and 5 non-production personnel. The age of employees ranged from 23 to 64.		
Structure and number of buildings	Building Name:		Production building
	Floor	Description	Remark
	1st floor	Knitting, washing, finished-goods warehouse	Building established in 2016
	2nd floor	Linking, sewing, ironing, inspection, packing	Building established in 2016
	3rd floor	office, sample making workshop	Building established in 2016
	4th floor	Raw material warehouse	Building established in 2016
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Through site tour, there was no visible structural integrity issues (large cracks) observed on the audit days.		

Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility provided the official acceptance report of building completion issued by the government. The certificate number: 2015-173-22, issued in 11 Jan, 2016.
Site function	<div> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer </div> <div> <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower </div> <div> <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider </div> <div> <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer </div> <div> <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor </div>
Months of peak season	
Process overview	Products being produced: Woollen sweater. Main operations: knitting, linking, sewing, washing, ironing, inspection and packing. Number of production line: 3. Main equipment used: knitting machine, sewing machine, linking machine, washing machine, needle detection machine.
What form of worker representation is there on site?	<div> <input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee </div> <div> <input type="checkbox"/> Other <input type="checkbox"/> None </div>
Please give details:	Name of worker committee: Worker Committee of ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: As no accommodation was provided by the facility.

Audit Parameters					
Time in and time out	Day 1		Day 2		
	In	08:00	In	08:00	
	Out	17:00	Out	12:00	
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	Mr. Wei Xiaobing / Manager				
Is further information available	No				

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	As there is no trade union in the facility and it is not a mandatory requirement.		
<i>Reason for absence during the audit</i>	As there is no trade union in the facility and it is not a mandatory requirement.		
<i>Reason for absence at the closing meeting</i>	As there is no trade union in the facility and it is not a mandatory requirement.		

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	8	0	0	14	0	0	0	22
Worker numbers – female	15	0	0	21	0	0	0	36
Total	23	0	0	35	0	0	0	58
Number of Workers interviewed – male	2	0	0	2	0	0	0	4
Number of Workers interviewed – female	2	0	0	4	0	0	0	6
Total – interviewed sample size	4	0	0	6	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 3 Female: 3
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	There were no complaints. The workers interviewed showed they wanted to earn more wage.
What did the workers like the most about working at this site?	The working environment was quite good and the colleagues were quite friendly.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	The workers were satisfied with the normal working hours and overtime hours, and they want to work more overtime hours in order to earn more money.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

The facility allowed the auditor from GCL International Ltd conducted confidential interviews with workers who were chosen freely without any influence by the facility management; 10 employees (1 group of 4 employees and 6 individuals) were covered for interviews; The employees showed a cooperative attitude during the interview process. Based on employee interview, they expressed their positive attitude to the management and payment. All employees were satisfied with working conditions and benefits provided by the factory. The effective evidences were collected by workers interview, the following information was summarized: 1. For employment freely chosen issues, workers said they were not required to lodge 'deposits' or their identity cards at the recruitment and were free to leave or resign after reasonable notice. 2. For freedom association issues, all interviewees reflected that workers could complain to management or worker committee representatives directly or by writing letters through suggestion box, all interviewed workers were aware of workers' representative. 3. For safety and health issues, 10 out of 10 workers sampled stated that factory provided induction training for new workers and regular safety training for workers. Workers said they had participated in fire drills at the production area twice per a year, and all of them knew how to use the fire equipment. 4. For child labor issues, all interviewees confirmed that the factory checked their ID cards to verify their ages had never seen or heard any child labor less than 16 years old employed in this factory. 5. For wages and benefits issues, all workers interviewed said they were paid by hourly rate. Their wages were paid on 30th of the following month by cash. They could check the wages if they had any doubts. There were total 58 employees in the facility. About the legal welfare for employees, through document review, management interview and employee interview, in the sampled three months of October 2023, March 2024 and June 2024, a total 54 employees (excluding 4 retired employees) were eligible to receive five types of social insurance according to the law. However, through review of social insurance enrollment list, the facility did not provide Work-related Injury Insurance, Medical Insurance, Endowment Insurance, Unemployment Insurance and Maternity Insurance for 61% (33 out of 54) employees. (Remark: The facility purchased commercial injury insurance for 5 employees from China Life Property & Casualty Company Limited (Insurance No. 6615212024442008000185) with a valid period from 19 July 2024 to 18 July 2025). 6. For working hour issues, all employees worked in one shift per day which was from 08:00 to 17:30 with 1.5 hours' rest from 12:00 to 13:30, the production peak season was not obvious, and most workers had 2 hours' overtime working in normal working days if needed. They had OT work on Saturday usually. 7. For discrimination issues, they said they could obtain the job based on their working experiences and abilities, female worker or male workers' wages were calculated at the same rate for the same work. 8. For regular employment issue, all interviewees said that the factory had signed contracts with them within one week since recruitment and they had a copy of the contract on hands.

Attitude of worker's committee/union reps:

Interviewed with the worker committee representatives, the interviewees expressed that the facility management was nice to them, they could freely express their opinions, will, advice and suggestion without any fear or concern and they also could make grievance if necessary. No negative information was observed during the audit.

Attitude of managers:

The facility management showed a positive and cooperative attitude during the audit. The factory management agreed that the auditor took photos of the factory and factory compound and copy relevant documents/records. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. The factory agreed that the auditor had accesses to all facilities, compound and documents and records requested by the audit. At the end of the audit, all findings were accepted by the facility management.

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. According to the documents review on the procedure files and management policy documents, the facility had established a policy, endorsed at the highest level, covering human rights impacts and issues, and the management provided the agreements signed by both the facility and its appropriate parties including its own suppliers to show they have communicated to its appropriate parties.
2. The facility had posted the policy about respecting Human Rights in the bulletin board, for example, Child labour shall not be used, Forced Labour shall not be used, No discrimination is practised, No harsh or inhumane treatment is allowed.
3. The appointment letter of management representative (Mr. Wei Xiaobing / Manager) for implementing standards concerning Human rights was also provided for review.
4. The facility provided the stakeholders situation for review.
5. The facility provided the assessment report for measuring the direct, indirect, and potential impacts on stakeholders (rights holders) human rights to the auditor for review.
6. The facility established a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter by means of suggestion box, making the contact way of General Manager and Manager in bulletin board and public areas in the facility, and the facility protects the reporter never disclosing any individual information about the reporter to any individuals.

Evidence examined:

1. Documentation files were reviewed. It stipulates complying with Human Rights, written policies and procedure that being provided individually to employees, which file No. COC-001 Version A.0 issued on 28 February, 2019.
2. Letter of Authorization on implementing Human Rights
3. Impact for Human Rights assessment report
4. Management interview and employee interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had posted the policy about respecting Human Rights in the bulletin board, including Child labour shall not be used, Forced Labour shall not be used, No discrimination is practised, No harsh or inhumane treatment is allowed, etc.	
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manuals, file No. COC-002 Version A.0 issued on 28 February, 2019.	
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Wei Xiaobing Job title: Manager	
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility established a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter by means of suggestion box, making the contact way of General Manager and Manager in bulletin board and public areas in the facility, and the facility protects the reporter never disclosing any individual information about the reporter to any individuals.	
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 site has a locked filing cabinet with workers personnel records. Workers can access their personnel records if they request it. HR staff are the only other members of staff with access.	
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	10.0%
	This year	8.0%
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])	8.0%	

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 This year	5.0% 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)	5.0%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The management personnel, Mr. Wei Xiaobing / Manager is responsible for keeping a record of accidents. As per record, no accidents happened in past one year.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year This year	0.0% 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 This year	0.0% 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 12 month	0.0% 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 12 month	0.0% 0.0%

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. According to the procedure documents and employee manual, the facility had established a system to deliver compliance to the code which included child labour prohibition system and overtime work control system.
2. The facility had posted the ETI Base Code in the workshop and had communicated this ETI Base Code to all employees and its own suppliers.
3. The appointment letter of management representative (Mr. Wei Xiaobing / Manager) for management of ETI compliance was also provided for review.
4. There are procedures available to ensure workers information are kept confidential.
5. The auditor cross-checked attendance records provided by management with related production records collected from production workshops and interview 10 sample employees. No inconsistency was noted.

Evidence examined:

1. Employee Handbook was reviewed. It stipulates complying with ETI Code, ETI code training was conducted on 30 July, 2024, written policies and procedure that being provided individually to employees.
2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law.
3. Management interview and employee 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:

Auditor checked this through management, employee interview and document review and no fines/prosecutions was noted.

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

☒ Yes ☐ No

Please give details:

Policies existed for these areas (Forced Labour, Child Labour, Discrimination, Health and Safety, Living Wage, Working Hours, No harsh & Abuse treatment, Environment and Business Ethics).

If Yes, is there evidence (an indication) of effective implementation? Please give details.	<p>Policies were communicated to workers via poster and annual training.</p> <p>Through documents review and workers interview, policy on No harsh treatment and Environment was fully in compliance with the code.</p> <p>Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Standards on 'Forced labour' and 'No harsh treatment' were communicated to workers through posters and annual training, and the facility has conducted trainings on child labour and discrimination.</p>
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training records: - Annual training for all employees, last conducted on 30 July, 2024. - Introductory training records for new employees. Confirmed via management and worker interview.</p>
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>The facility has not obtained internationally recognized system certifications.</p>
Is there a Human Resources manager/department?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There is one human resource person. Ms. Yang Shixiang / HR Supervisor is in charge of the HR department.</p>
Is there a senior person /manager responsible for implementation of the code?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Mr. Wei Xiaobing / Manager is responsible for implementation of the code.</p>
Is there a policy to ensure all worker information is confidential?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>A displayed policy on the confidentiality of an individual's personal information.</p>
Is there an effective procedure to ensure confidential information is kept confidential?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>As per management discussion and employee interview, they showed their confidential information is kept confidential. Notice on filing drawers state could only be accessed by authorized personnel.</p>

Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site delivered internal audits on an annual basis in advance of third party customer audits. These included worker satisfaction surveys. The risk assessment was conducted by H&S Committee and internal audit team on 5 January, 2024.
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: Risk assessments were conducted by H&S Committee and internal audit team and outputs were reviewed by management to establish steps to remove, avoid or mitigate any risks identified.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has established a policy/code which requires labour standards of its own suppliers and communicated to suppliers.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site showed the auditor originals of all required land rights licenses and permissions which belonged to the facility itself. All of required land rights licenses were provided, like the fire acceptance report, acceptance report for completion of building and the leasing contract etc.
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: Through document review and management interview, the site has system in place (Procedure file No. COC-001 Version A.0 issued on 28 February, 2019) to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Remark: the land in China mainland was belonged to the nation. Anybody, no matter the characters, could only rent the land from governmental department for a period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: In China there is no such behavior or no such legal requirement, so the facility no need to compensate the owner or lessor for the land prior to the facility being built or expanded.

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: This area where the factory located was assigned as industry usage by governmental department.
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: All the areas of factory were legal according to the interview and document review.

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 has a policy which prohibits forced labour and this was available for review.
2. There was a non-formalized application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook – given to all workers on joining, states that workers within their probation period are free to leave with 3 day written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work.
4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
5. Contract for security guards state that they must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift.
6. The above was confirmed in management and worker interview.

Evidence examined:

1. Personnel files (all were checked)
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no any restrictions on workers' freedom to terminate employment at the facility.

<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>N/A. There is no UK based client or registered there for the facility.</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 is no any evidence of any restrictions on workers'freedoms to leave the site at the end of the work 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>The facility established a policy about forbidden of forced /trafficked / bonded labour and implement strictest management to control the risk of forced / trafficked / bonded labour in it's supply chain. The facility sent agreement of commitment to its suppliers, and operated social responsibility audit on suppliers to control the risk of forced / trafficked /bonded labour in it's supply chain. Meanwhile, the facility management trained all the workers on the policy, and the workers have right to choose overtime working or not, and leave the site after work freely every day, and leave his job freely in accordance with the legal requirement with wage settlement. The facility, together with its suppliers and workers understand the risk of forced / trafficked / bonded labour, and observe it strictly.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The site is taking policy implemented steps to reduce the risk of forced or trafficked labour.</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. There was no trade union in the factory. Three worker representatives were elected on 1st August, 2023. The periodical communication meeting between the management and employee representative are conducted quarterly and meeting minutes retained for review.
2. The facility has established a mechanism to facilitate feedback from workers, workers could raise their concerns through employee representative, their supervisors, HR department, and anonymous complaint could be raised via suggestion box.

Evidence examined:

1. Based on the meeting records Communication meeting of management and employees, the meeting should conduct quarterly, the factory has retained the meeting records which was held on 30 July, 2024.
2. The worker representative was elected by workers voluntary.
3. Worker interview
4. Worker representative interview
5. Management interview

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker committee of ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input 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: The H&S Committee, E-mail address and telephone number of top management were posted in workshop area, and suggestion box was equipped in non-working area so that workers can address their complaints via H&S Committee, Email address, telephone calls or suggestion box.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility offers a meeting room for worker committee meetings and an activity center to operate some sort of forum between worker representatives and workers.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee of ZHONGSHAN YUANXIANG KNITTING GARMENT CO LTD
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: Workers are aware of their worker representative and it was confirmed during the worker interview.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-08-01
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:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	3 worker representatives were elected by employees themselves without any interference by management in the facility on 1st August, 2023, the facility provided the ballot result of candidates for review. The last communication meeting was held on 30 July, 2024 with topic of responsibilities and working role of worker representative, how to raise and complaint and feedback via worker representative, how the worker representative influence the appraisal system of the company, etc, lasting for about two hours. Meeting minutes was shared with all workers through posting on the board.
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. A health and safety committee is made up of managers, supervisors and employees/workers. The committee meetings regularly discuss health and safety risks in the production site, organise training, analyse accident records and agree potential solutions to minimise risks and protect workers.

2. Mr. Wei Xiaobing / Manager was appointed responsible for H&S issues in the factory.

3. The management understood the principles of risk assessment on health and safety and the assessment reports retained for review.

4. The health and Safety policy, manual and procedures were checked and communicated to employees. They are sufficient for the level of risk inherent in the industry.

5. All necessary permits and certificates relevant to that company of operation are available, construction and safety inspection certificate, etc.

6. The necessary protective equipment (PPE) is provided free of charge as risk assessment and replaced on a regular basis. But for the PPE usage supervising, there is one non-compliance existed. Through site tour, management interview and employee interview, it was found that the facility provided earplugs for the workers in the Knitting workshop on the first floor of the production building but one worker did not wear earplugs while working. For details please refer to NC 1 - 3: Safety and Hygienic Conditions - 1.

7. For the electricity management, there was sufficient space around the electric installation and electric wire, the distribution wires in the warehouse were placed in metal or flame-retardant plastic pipes for protection, and electric shock warning signs were marked on electricity devices and circuit where electric shock may happen which were made of durable material.

8. All dangerous machines have safety check and maintenance records are retained.

9. Chemicals were (eg. lubricating oil and cleaning agent) used, and safety devices such as explosive prevention and anti-leakage for its dangerous chemical material used were available. Workers in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

10. Sufficient fire-fighting equipment were in place and maintained in a good condition. Total twice fire drills were conducted and once involves setting off the fire alarm without warning anyone to assure that all workers understand how to escape from the buildings calmly but quickly. The fire drill records indicated the evacuation time, employee numbers participated in the fire drills etc.

11. "No smoking signs" were available throughout the factory. Ventilation, temperature and lighting were adequate for the workplaces.

12. All necessary certificates for operators were available, e.g. electrician certificate.

13. Adequate toilet was provided, total 8 Men's toilets and 8 urinals, and 8 Women's toilets and 16 squatting positions, and the hygiene condition of toilets was acceptable. Water was provided for workers and the factory obtained the testing report of drinking water.

14. Ventilation, temperature and lighting were adequate for the workplaces.

15. Employees were trained on machine safety, chemical safety, etc. and training material was reviewed. The factory did not provide dormitory or canteen for workers.

16. There were 2 first aiders trained in the facility and all necessary medical supplies in first-aid kit were adequate.

17. Through document review, management interview and employee interview, it was found that 4 workers in the Knitting workshop contacting noise had not received occupational health checks in past one year. For details please refer to NC 2 - 3: Safety and Hygienic Conditions - 2.

Totally, in Section 3: Working Conditions are Safe and Hygienic, there were two non-compliances found. For details please refer to the contents of Non-compliances.

Evidence examined:


1. Health and safety policy, Document No. COC-001-15 Version A.0 issued on 28 February, 2019.
2. Health and safety committee meeting minutes, the latest Health & Safety Committee meeting on 18 July, 2024.
3. Training records and certificates, the latest Health & Safety training date was 30 July, 2024. The H&S Risk Assessment was conducted on 5 January, 2024.
4. Fire equipment maintenance records, total 2 fire fighters and the last fire fighting training was conducted on 30 July, 2024; the fire fighting equipment verification date was 30 July, 2024; total 36 fire extinguishers, 9 hose reels, 9 fire hydrants, 6 fire alarms, 1 manual call points; 18 emergency exits & lights.
5. Fire drill records, the latest internal unannounced fire drill for facility was conducted on 18 April, 2024.
6. The building structure safety certificates were issued by the government on 11 January, 2016 ; The fire safety acceptance report of No. Yue Gong Xiao Yan [2016] Di 053 Hao on 18 July, 2016 by Zhongshan Fire Fighting Bureau.
7. The electrician certificate is available, the electrician certificate No. T440525197507296516 is valid from 18 May, 2023 to 17 May, 2029.
8. The testing report of drinking water, the testing report No. Report No. H24-WT00293 issued on 22 February, 2024, the testing result was complied with national standard. Its next testing date will be 22 February, 2025.
9. Hazard factor testing report No. XSJC-ZWJC23154 was issued on 13 June 2023 and valid for three years.
11. The facility has employed specialized person who has obtained Cargo Lift Safety Management Certificate (Code: A) (Certificate No. 452131198510013314) issued by Guangzhou Market Supervision and Administration Bureau with a validity till 11 January 2025 and provided evidence for review.
12. The cargo lift (Equipment Code: 32104420002017110042) was regularly inspected on 20 November 2023 by Guangdong Special Equipment Inspection Research Institute Zhongshan Inspection Institute, its next inspection date will be in November 2024.
13. The first aid training was conducted on 30 July, 2024, total 3 first aid kit boxes.
14. Accident register (zero occurrence each month in past 12 months)
15. Interviewed with H&S manager
16. Interviewed 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 facility established Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and trained the employees every three months. The latest training date was 30 July, 2024.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies are included in worker's manual and trained for most employees.
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: The facility did not add any structure in the production building.
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: Visitor's badges had H&S information on them, and the visitor was requested to read it.

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 provided for workers and there is no legal requirement on it in China. There were adequate first aid kits in each production area and they were well stocked.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 2 first aiders, and they had been trained at a local hospital. The first aiders were identified by Red Cross Society.
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: N/A, no transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, no on-site or off-site accommodation was provided for employees.
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: Through document review and management interview, the H&S risk assessment including evaluating the arrangement for workers doing overtime e.g., driving after a long shift was conducted by H&S committee and internal audit team on 5 January, 2024. Aimed at specified H&S risk, the facility stipulated different control methods to reduce identified risk.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All required environmental documents including domestic sewage tests, waste gas, met the legal requirement.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site had a copy of the banned substances list from its customer, the major chemical used in sizing workshop was vulcanized agent and was meeting those requirements.

Non-Compliance		Evidence																																	
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<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600576685</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate</td></tr><tr><td>Subcategory</td><td>Personal Protective Equipment/Clothing</td></tr><tr><td>New or carried over?</td><td><input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over</td></tr><tr><td>Raised by audit</td><td>ZAA600016929</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that through site tour, management interview and employee interview, the facility provided earplugs for the workers in the Knitting workshop on the first floor of the production building but one worker did not wear earplugs while working.</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>It is recommended that facility should supervise and train employees to properly wear and use the personal protective equipment.</td></tr></table>			Non-Compliance		Status	OPEN	Reference	ZAF600576685	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	Subcategory	Personal Protective Equipment/Clothing	New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA600016929	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Law of the PRC on Work Safety article 42, manufacturing units shall provide personal protective equipment to employees. Manufacturing units shall supervise and train employees to ensure they properly wear and use the personal protective equipment.	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	It was noted that through site tour, management interview and employee interview, the facility provided earplugs for the workers in the Knitting workshop on the first floor of the production building but one worker did not wear earplugs while working.	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 facility should supervise and train employees to properly wear and use the personal protective equipment.	<div><p><u>NC photo 1 - Not wearing PPE (earplug).JPG</u></p></div>
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comments	identification and provided evidence for review. The auditor verified the corrective action evidence and confirmed effective. This NC can be closed.	
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Actions	It was recommended that the facility should ensure a staff obtain relevant safety management certificates or subcontracting this service to an eligible organization for management before operating those special appliances.	
Additional comments	The facility has employed specialized person who has obtained Cargo Lift Safety Management Certificate (Code: A) and provided evidence for review. The auditor verified the evidence is effective, and this NC can be closed.	

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Explanation to the non compliance	It was noted that through document review, management interview and employee interview, 4 workers in the Knitting workshop contacting noise had not received occupational health checks in past one year.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should provide regular occupational health checks for those laborers who are engaged in using or contacting noxious articles in their working process.	

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. The facility established written procedure or instruction to check each employee and candidate age.
2. The facility kept the age evidence such as copies of original ID cards or other evidence that has been produced.
3. The facility management knows how to check for fraudulent documents.
4. After checking records of hiring and terminations for the previous 12 month period, no child labor being sacked in the run-up to the audit. The youngest employee in the facility was 23 years old.

Evidence examined:

1. The procedure of was available for review, the personnel files with ID copy were available for review, the contracts with all the employees were available for audit, and the roster had established by the factory.
2. Management interview
3. 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: N/A. There were no workers under 18 in the facility.

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 regular wage standard and overtime calculation were defined in the labor contract and employee manual.
 2. Based on payrolls from July 2023 to June 2024 including sampled October 2023, March 2024 and June 2024, all employees were paid by hourly rate, and the payment met the local legal minimum wage.
 3. The local minimum wage standard in Zhongshan City, Guangdong Province is RMB1900 per month (equivalent to RMB10.92 per hour) since 1 December, 2021. And the actual lowest wage of workers is RMB1900 per month (equivalent to RMB10.92 per hour) in the facility since 1 December, 2021.
 4. Wages are paid on the 30th of the following month by cash, and a pay slip is issued for each pay period.
 5. No illegal deductions (e.g., employment broker fees, fines, etc.) or withholdings are made from wages.
 6. The wages office was well organized with a well-controlled set of processes that were understood by all employees.
 7. All workers are provided with written and understandable information about their employment conditions with 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.
 8. Benefits of paid annual leave were given to all workers, and childbirth leave to appropriate workers.
 9. All legally mandated allowances and benefits are provided for all employees. There were total 58 employees in the facility. About the legal welfare for employees, through document review, management interview and employee interview, in the sampled three months of October 2023, March 2024 and June 2024, a total 54 employees (excluding 4 retired employees) were eligible to receive five types of social insurance according to the law. However, through review of social insurance enrollment list, the facility did not provide Work-related Injury Insurance, Medical Insurance, Endowment Insurance, Unemployment Insurance and Maternity Insurance for 61% (33 out of 54) employees. (Remark: The facility purchased commercial injury insurance for 5 employees from China Life Property & Casualty Company Limited (Insurance No. 6615212024442008000185) with a valid period from 19 July 2024 to 18 July 2025). For details, please refer to the NC 3- 5: Living Wages Are Paid: 1.
- Totally, in Section 5: Living Wages are Paid, one non-compliance was found. For details, please refer to the contents of Non-compliance.

Evidence examined:

1. Document review
2. Worker interview
3. Local and national laws
4. Wages and benefits policy
5. Local legal minimum wage documents
6. Payroll records from July 2023 to June 2024 including sampled October 2023, March 2024 and June 2024
7. Leave records
8. Social insurance and payment receipts from the local labour department
9. Labour contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Payslips of all workers interviewed
12. Hours records to check hourly rates and any overtime premiums from July 2023 to June 2024 including sampled October 2023, March 2024 and June 2024

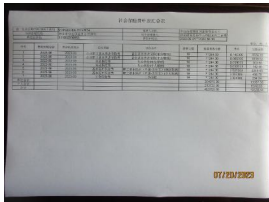
Any other comments:

Nil

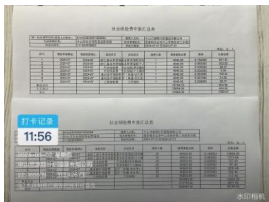
Summary Information

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: 184.0	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: 60.0	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: 87.36 Per Week: 436.8 Per Month: 1900	Actual Per Day: 87.36 Per Week: 436.8 Per Month: 1900	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 June 2024 (current month) 10 samples from March 2024 (randomly selected month) 10 samples from October 2023 (randomly selected 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 checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB10.92 per hour for office staffs, knitting workers, linking workers, sewing workers, washing workers, ironing workers, inspection workers and packing workers		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 100.0% of workforce earning minimum wage 0.0% of workforce earning above minimum wage		

Bonus Scheme found: Please specify details:	Bonus Scheme found: Post reward: bonus per month depending on employees' diploma, working experience and performance, it was paid by monthly. 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:	Personal contribution of social insurance, income tax
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please list all deductions that have been made.	Income tax
Please list all deductions that have not been made.	Personal contribution of social insurance of 61% employees has not deducted
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: All records reflect all time worked for workers.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was an annual review when local wage rates were revised or increased.
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 employee's interviews, it was confirmed that equal rates were being paid for equal work.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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>ZAF600576688</td></tr><tr><td>Clause</td><td>5 - Living Wages are Paid</td></tr><tr><td>Issue Title</td><td>423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic</td></tr><tr><td>Subcategory</td><td>Benefits & Insurance</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>ZAA600016929</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td>Some employees would not like to participate in purchasing social insurance.</td></tr><tr><td>Local law issue</td><td>In accordance with the PRC Labour Law article 72, employing unit and workers must participate in social insurance and pay social insurance premiums in accordance with the law; and according to article 73, labour shall enjoy social insurance benefits under the following circumstances: a) retirement, b) illness or injury, c) disability caused by work-related injury or occupational disease, d) unemployment; and e) child bearing. 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Actions	It is recommended that the facility should ensure all employees participate in all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

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. Through employees' interview, overtime is voluntary.
 2. The factory provided working hour records from 1 July, 2023 to the audit day and wages records from July 2023 to June 2024 including sampled October 2023, March 2024 and June 2024.
 3. According to time records and worker interview basic working hours were 8 hours per day and a max 40 hours per week.
 4. Total overtime was maximum 2 overtime hours per day, maximum 14 overtime hours per week which was within the legal limit and ETI Base Code, but maximum 60 overtime hours per month which exceeded the legal limit. For details please refer to NC 4 - 6: Working Hours are not Excessive - 1.
 5. Verified working hours, breaks, holidays and rest periods are in accordance with local law, also verified through production records review and employee interviews.
 6. Look for management systems of working hours being in place that allow workers to volunteer to do overtime.
 7. The working time is recorded by finger print attendance system and the factory detail IN/OUT for the beginning and end of morning, afternoon and overtime.
 8. The normal working period is 5 days per week from Monday to Friday, 8 hours a day in one shift for office, production workshops and warehouse. The normal working hour is 08:00 to 12:00, 13:30 to 17:30, with 1.5 hours' lunch break from 12:00 to 13:30. The production peak season was not obvious, and all workers had OT work on Saturday usually and rest on Sundays.
 9. All workers work 6 consecutive days with at least 1 day rest.
- Totally, in Section 6: Working Hours are not Excessive, there was one non-compliance found. For details please refer to the contents of Non-compliance.

Evidence examined:

1. Employee interview
2. Management interview
3. Local and national laws
4. Factory policy on working hours
5. Attendance records from 1 July, 2023 to the audit day including sampled October 2023, March 2024 and June 2024
6. Electronic time logging system
7. Pay slips with recorded hours of sampled workers
8. Quality and production records to cross check hours
9. Workers contracts
10. Hours records from 1 July, 2023 to the audit day including sampled October 2023, March 2024 and June 2024 to establish highest and lowest hours

Any other comments:

Nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Electronic time logging 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)	<p>Highest OT hours: 2 hours per day in June 2024 (current month) 2 hours per day in March 2024 (randomly selected month) 2 hours per day in October 2023 (randomly selected month)</p> <p>12 hours per week in June 2024 (current month) 14 hours per week in March 2024 (randomly selected month) 14 hours per week in October 2023 (randomly selected month)</p> <p>50 hours per month in June 2024 (current month) 60 hours per month in March 2024 (randomly selected month) 56 hours per month in October 2023 (randomly selected month)</p>
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: The employees' weekly combined hours (standard or contracted 40 + overtime hours 14 = total 54) were 54 in maximum in sampled three months, June 2024, March 2024 and October 2023.</p>
Approximate percentage of total workers on highest overtime hours:	90.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p> <p>Please give details: Contracts stated that overtime working must be requested by workers and it was voluntary.</p>
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: Normal day overtime premium as 150% of standard wages</p>
Is overtime paid at a premium?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>150% of normal rate for weekdays, 200% of normal rate for rest days, and 300% of normal rate for legal holidays.</p>
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input type="checkbox"/> Other</p>
Please give details	The factory did not pay less than 125% of OT premium, and is not allowed under local law.
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><input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)</p>
Please give details	The Regular working hours 40 + maximum overtime hours 14 = 54 hours, which does not exceed 60 hours per week.

Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	Not applicable, as total hours does not exceed 60 hours per week.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No When order volume increased, extra overtime was worked rather than took on another shift.
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. As informed by interviewed workers, most employees spoke highly of the factory owner.
2. No worker was required to do the examination of the hepatitis B virus and HIV.
3. Based on site tour and employee interviews, no any segregation of workers is due to accepted cultural norms and that equal opportunities still apply across all groups.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit.
5. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
6. There was an internal grievance process.
7. There was no evidence of sexual harassment

Evidence examined:

1. The hiring and termination procedure, leave application records and employee handbook
2. Payrolls
3. Attendance records
4. Termination records
5. Training records
6. Employment contracts were provided for review and they showed that male and female employees were on the same pay grade
7. Management interview and employee interview

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0%		Female: 40.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	No female worker in a skilled role		
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"/> Compensation	<input type="checkbox"/> Access to training
	<input type="checkbox"/> Promotion	<input type="checkbox"/> Termination or retirement	<input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	Reviewed with the documents and records, site tour and employee interview, there is no evidence of discrimination found on the audit days.		
Professional Development			
What type of training and development are available for workers?	All workers were given H&S training. Females as well as males were trained to become supervisors and managers.		

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
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8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. All the labour contracts of employees were provided for review, as per the labour contract all employees were hired by the facility directly.
2. None of contract labour or temporary worker was employed by the facility.
3. As reported by the interviewees, they signed labour contracts with the facility within one month upon hiring, and everyone obtained a copy of labour contract.

Evidence examined:

1. Personnel files were checked and they all included a copy of employee's contract
2. Management interview and employee interview
3. The hiring and termination records
4. 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"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- ☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:	Knitting, linking, sewing, washing, ironing, inspection and packing
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through interviewed with migrant provincial workers and document review, it is confirmed in writing by worker for the migrant workers' voluntary deductions (such as for Income tax and personnel contribution for social insurance) and the facility showed them the evidence of the transaction.
Is there any observation on this finding?	Yes. 61% (33 out of 54) employees failed to participate in five types of social insurance namely Work-related Injury Insurance, Medical Insurance, Endowment Insurance, Unemployment Insurance and Maternity Insurance.
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 Skilled knitting, linking, sewing, washing, ironing, inspection, packing 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	N/A. As there is no agency used for 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: N/A. There is no any agency worker in the facility. All workers are recruited directly by the facility.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. There is no any agency worker in the facility. All workers are recruited directly by the facility.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	

Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. There is no any contractor's worker in the facility. All workers are recruited directly by the facility.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. There is no any contractor's worker in the facility. All workers are recruited directly by the facility.

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. As per the facility documents review, management and worker interview and site tour, there was no sub-contractor used in the facility.
2. There is no any agency Contract worker in the facility. All workers are recruited directly by the facility.
3. Therefore, no apparent concern was detected regarding this section.

Evidence examined:

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

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

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. According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure.
2. Worker interview confirmed that workers were aware of the disciplinary procedure.
3. As per management interview, document review and workers interview, there was a policy on Harsh Treatment.
4. There is an internal process for grievance, which is an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the worker in question.
5. No fines were made.
6. Interviewing with the management HR responsible person, they understand the practice and grievance mechanism.

Evidence examined:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure documentation
3. Training records
4. Management interview
5. Worker interview
6. Worker representative 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?

☒ Yes ☐ No

Please give details:

E-mail address and telephone number of local labour bureau was posted in the public notice board and it was used as the reporting grievance to a third party for any complaint from the employer. There was also suggestion box, and an internal confidential email address for reporting grievances.

If yes, are workers aware of these channels and have access? Please give details.

Based on interview with workers, they understood how to use these channels.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

Confidential email, issues were discussed at senior management level and investigated by the responsible person.

Which of the following groups is there a grievance mechanism in place for?

- ☒ Worker ☐ Communities
☐ Suppliers ☐ Other

Please provide grievance mechanism details	As per management interview, document review and workers interview, there was a policy on Harsh Treatment, There is an internal process for grievance, which is an anonymous email address, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the worker in question.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: This matter was not discussed with the facility's business partners.
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. As per document review, factory management representation and worker interview, all workers in the factory were Chinese. 40% employees were local employees and 60% employees were other province migrant workers.
2. All workers had the proper legal rights to work in this region.
3. The youngest age in the facility was 23 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
4. No agency staff or foreign worker was used by the factory.
5. All employee's ID copies were kept in their personnel files.
6. All the employees have signed the labour contract, they can obtain pay slip before they took wage, payrolls were provided for audit, and electronic attendance lists were kept.
7. The factory recruits new worker only through posting recruiting advertisement and internet, some of workshop employees were introduced by fellow-villager, the workers have not paid any deposit when they were recruited in the factory.
8. There were not any deductions for items such as travel and equipment.

Evidence examined:

1. Hiring procedure
2. Personnel files
3. Worker handbook
4. Worker interview
5. Management 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 management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations: including the report form of environmental impacts of the construction and approval of environmental impact assessment document (No. Zhong Huan Jian Shu [2018] 0010 Hao issued on 10 April, 2018 by Zhongshan Ecological Environment Bureau) , were available and valid during this audit.
2. The annual monitoring report for waste air, sewage and noise showed the pollutant discharging was compliance with environmental law. The annual monitoring report for waste gas, sewage and noise showed the pollutant discharging was compliance with environmental law. The annual monitoring report (sewage, waste gas, factory boundary noise) No. HCJC20240428352 was issued on 26 April, 2024 by Dongguan Huace Testing Co., Ltd..
3. Hazardous chemical waste was treated by a qualified unit. Hazardous empty chemical buckets were transferred by a qualified unit "Zhaoqing Xinrongchang Environmental Protection Co., Ltd." with Certificate No. 441204180205 with a valid period from 22 February, 2020 to 21 February, 2025, and the contract (Contract No. YX-24180) was signed on 1st September, 2023 with a validity period from 1st September, 2023 to 31st August, 2024.
4. Based on workers interview, they were trained on environmental protection. The latest environmental training was conducted on 30 July, 2024.
5. The factory had established an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
6. The factory was aware of the significant environmental impact of their site and its processes.
7. The factory had measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.
8. The factory had sought to make continuous improvements in their environmental performance.
9. The factory had a nominated Mr. Wei Xiaobing / Manager responsible for co-ordinating the site's efforts to improve environmental performance.
10. There were not any fines/prosecutions for noncompliance to environmental regulations identified.

Evidence examined:

1. Environmental policy and procedures
2. Environmental impact report form and approval (No. No. Zhong Huan Jian Shu [2018] 0010 Hao issued on 10 April 2018 by Zhongshan Ecological Environment Bureau)
3. Management interview
4. Worker interview
5. Hazardous waste entrusted disposal contract (No. YX-24180) signed on 1st September, 2023, valid from 1st September, 2023 to 31st August, 2024.
6. Site tour
7. Energy bill

Any other comments:

Nil

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):	Mr. Wei Xiaobing / Manager is responsible for environmental issues.
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 site conducted a risk assessment on the environmental impact of the site including implementation of controls to reduce identified risks on 5 January, 2024.
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 have recognised environmental system certification.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The key impacts are waste generating, air emissions, sewage discharging, noise emissions from injection, paint spraying, pad printing and colored drawing processes. And the site had set the rated energy conservation and emission reduction policy.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" 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 facility did not have any other environmental certificates such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The registration form of environmental impacts of the construction, approval of environmental impact assessment document and the environmental protection check and
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 site has a documentation process to record hazardous chemicals used in the manufacturing process.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This was included in the facility's internal management system.
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: Reduction targets were established to reduce costs and protection the environment, for example, to reduce water consumption and discharge, waste, energy, and greenhouse gas emissions.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Weights of recycled wastes were recorded for continuous improvement targets.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility measured to reduce costs and monitored the consumption of key utilities of water, energy and natural resources.

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: The facility did not have any subcontract the same premises.	
Usage/discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	235000	160000
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Municipal water supply	Municipal water supply
Water Volume Used	1300	850
Water Discharged	Municipal sewage treatment plant	Municipal sewage treatment plant
Water Volume Discharged	1300	850
Water Volume Recycled	0	0
Total waste produced	2050 kg	1200 kg
Total hazardous waste produced	550 kg	300 kg
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	1500 kg	900 kg
Total Product Produced	300000 pcs	190000 pcs

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

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

1. Mr. Wei Xiaobing / Manager was the designated person responsible for implementing standards concerning Human Rights and Business Ethics, and that site practices were conducted without any corruption and/or bribery.
2. The company established a business ethics policy which was communicated to workers through posters and training.
3. The site had received and read the Business Ethics policy of the auditor/audit company.
4. There is an internal grievance process on site.

Evidence examined:

1. The company business ethics policy including Anti-Bribery and Anti-Corruption
2. Training records
3. Worker handbook
4. Reports from Anonymous email account
5. Management interview
6. Worker interview

Any other comments:

Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site provided training records about sales and logistics member on business ethics for review.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Examined each year by HR department and adjusted if needed.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site trained employees on business ethics on 12 June, 2024 and also required third parties including suppliers to complete their own business ethics training.

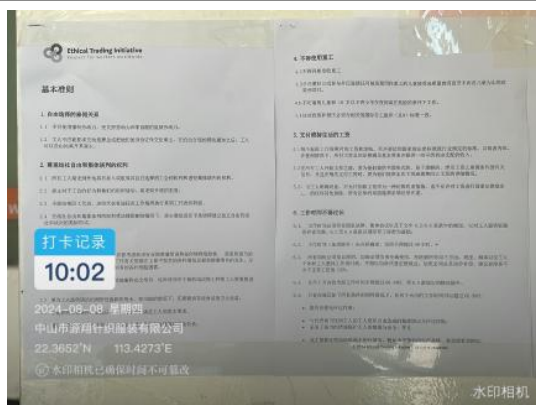
Attachments



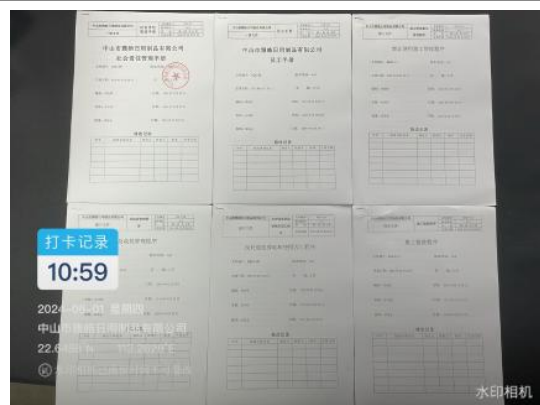
1. Facility building outer view.jpg



2. Facility name board.JPG



3. ETI Base Code displayed.JPG



4. Company policies&procedures displayed.JPG



5. Business License.JPG



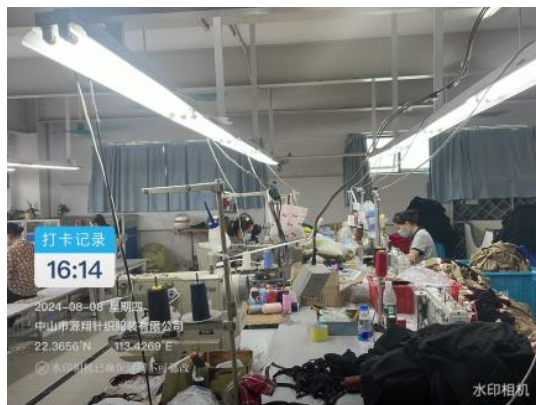
6. Raw material warehouse.JPG



7. Knitting section.JPG



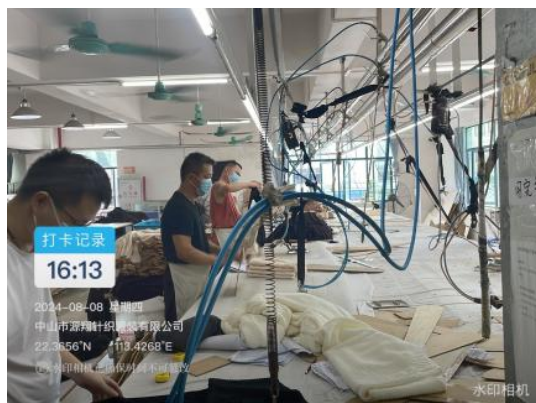
8. Linking woshop.JPG



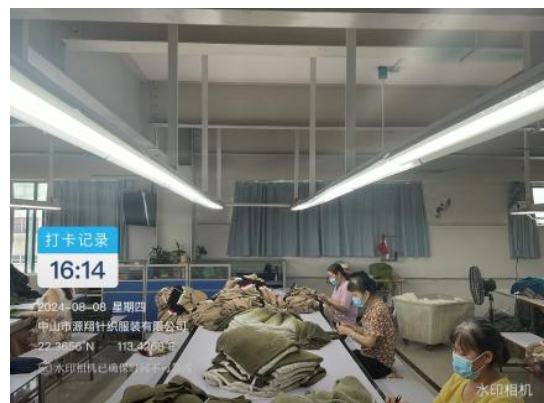
9. Sewing woshop.JPG



10. Washing woshop.JPG



11. Ironing woshop.JPG

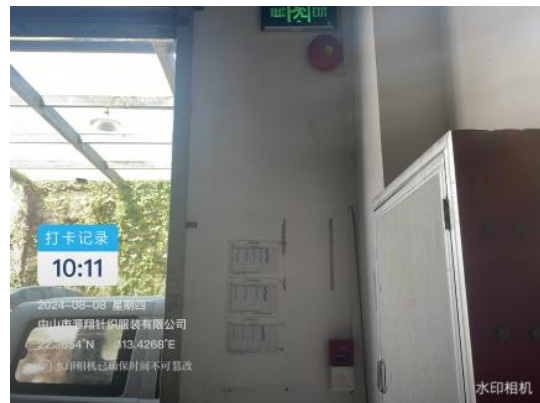


12. Inspection woshop.JPG

13. Packing woshop.JPG14. Finished-goods warehouse.JPG15. Chemical stored area.JPG16. Emergency light and exit.JPG17. Emergency light testing.JPG18. Fire extinguisher.JPG



19. Fire hydrant.JPG



20. Fire alarm.JPG



21. Evacuation plan displayed.JPG



22. Evacuation aisle.JPG



23. Evacuation direction indication.JPG



24. Warning sign.JPG



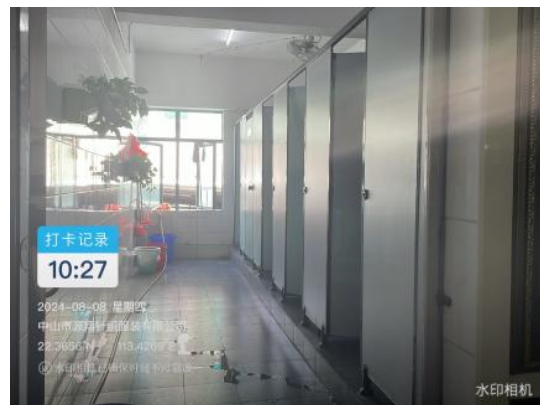
25. Hazard factor notice board.JPG



26. First-aid kit.JPG



27. Drinking water.JPG



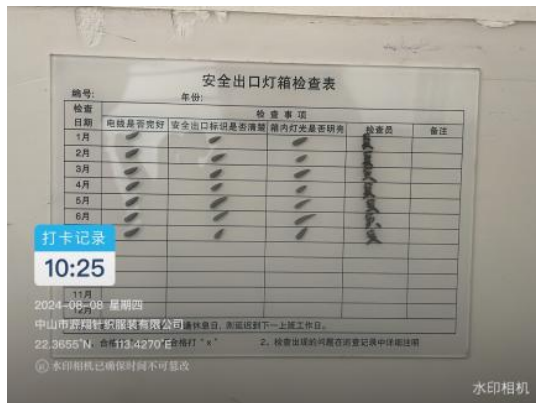
28. Clean toilet.JPG



29. Electrical control box.png



30. Suggestion box.JPG



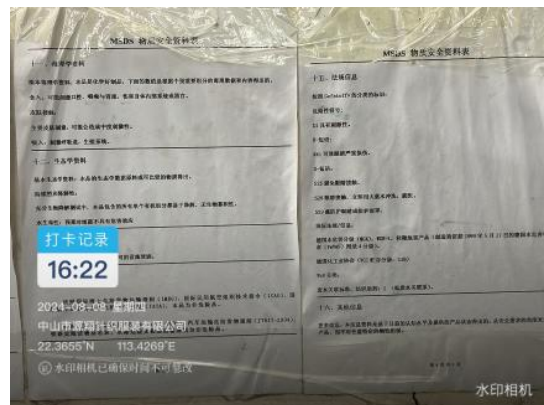
31. Inspection records of fire equipment.JPG



32. Separate waste bin.JPG



33. Eye washing equipment.JPG



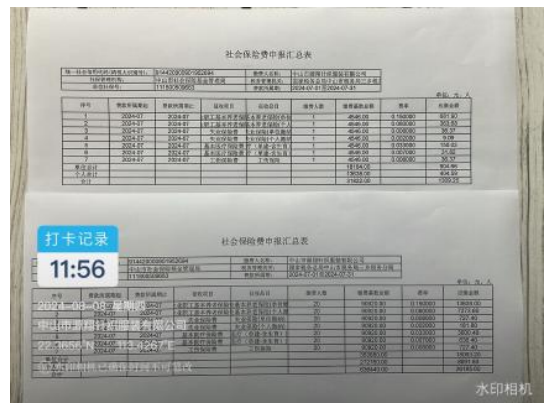
34. MSDS.JPG



35. Assembly point.JPG



36. Electronic working attendance machine.JPG

37. Hose reel testing.JPGNC photo - No PPE wearing.jpgNC photo - No occupational checks for workers against noise.JPGNC photo - Insufficient social insurance.jpgNC photo - Excessive monthly overtime hours.jpgCorrective action photo - Label for Chemicals.jpg



Corrective action photo - Cargo Lift Safety
Management Certificate.jpg



On-site CAPR (signed).pdf



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