



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC409335204	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS411400186	
Business name (Company name):	Guangdong Singwear Garments Co Ltd			
Site name:	Guangdong Singwear Garments Co Ltd			
Site address:	Xiangang Industrial Zone, Simapu Town, Chaonan District, Shantou City, Guangdong Province, China 广东省汕头市潮南区司马浦镇仙港工业区 Shantou 515149 CN	Country:	CN	
Site contact and job title:	Tongbiao Che / HR manager			
Site phone:	13642220771	Site e-mail:	chetb@singwear.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2024-09-14			

Audit Company Name:
SGS_China

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	KD Xie	APSCA Number:	21701741
Additional Auditors:	Yana Li		32400282
Date of declaration:	2024-09-14		

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:	Tongbiao Che
Title:	HR manager
Date of declaration:	2024-09-14
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
1. This audit is semi-announced with 3 weeks window. 这次是3个星期窗口期的半通知审核。 2. The auditee leased from 2F to 6F of one 6-storey building as dormitory used and leased from Shantou City Chaonapei clothing Co., Ltd. Total leased area about 5,500 square meters. 被审核工厂向汕头市潮纳沛服装有限公司租用1栋6层建筑的2楼至6楼作为宿舍使用，总共租用面积为5500平方米。	

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			0	0	0	
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§1	1	0	0	NC - d431cd7e-663d-4c11-bc00-ac9ba00c23dc
6 - Working hours are not excessive	6.1 6.4	§2	2	0	0	NC - 2a32cfaf-ba8d-4f77-bbc1-e50030a63aad NC - d9c248be-391a-479b-9d49-dbcff45153aa
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	<p>Labor Law of the People's Republic of China (2018 Amendment)</p> <p>Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.</p> <p>Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances:</p> <ol style="list-style-type: none"> 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. <p>...</p>

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

Site Details		
Company Name	Guangdong Singwear Garments Co Ltd	
Site Name	Guangdong Singwear Garments Co Ltd	
GPS location (if available)	GPS Address:	Xiangang Industrial Zone, Simapu Town, Chaonan District, Shantou City, Guangdong Province, China. 中国广东省汕头市潮南区司马浦镇仙港工业区
	Coordinates:	Latitude: 23°15'56" N, Longitude: 116°23'3" E.
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License number 914405146771147201; Valid from 18 July 2008 to long term.	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	seamless underwear	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Guangdong Singwear Garments Co., Ltd. was located at Xiangang Industrial Zone, Simapu Town, Chaonan District, Shantou City, Guangdong Province, China. Based on business license review, it was founded on 18 July 2008. There were total of 480 permanent employees (455 workers and 25 management staffs) directly employed by the factory during the audit, with 274 local workers and 181 migrant workers. No agency worker was used by the factory. Two shifts were available for weaving workers (08:00-20:00, and 20:00-08:00 next day), the rest workers worked in one shift (08:00-12:00, and 13:30-17:30, overtime from 18:15-21:15 if needed.). The factory leased from 2F to 6F of one 6-storey dormitory building (named 13#, total lease area about 5,500 square meters) from property owner 'Shantou City Chaonapei clothing Co., Ltd.' as dormitory used. Meanwhile, the factory owed three building, one 6-storey complex building with 5245 square meters as office room and dormitory used; one 6-storey production building with 24,200 square meters as workshops, warehouse, design and development used; one 11-storey production building with 7983 square meters as workshop and warehouse used.	

Structure and number of buildings	Building Name:		Complex Building
	Floor	Description	Remark
	1F	Office room	It was built in the year of 2010.
	2F	Office room	It was built in the year of 2010.
	3F	Office room	It was built in the year of 2010.
	4F	Dormitory	It was built in the year of 2010.
	5F	Dormitory	It was built in the year of 2010.
	6F	Dormitory	It was built in the year of 2010.
	Building Name:		Production 1
	Floor	Description	Remark
	1F	Warehouse	It was built in the year of 2010.
	2F	Cutting	It was built in the year of 2010.
	3F	Sewing	It was built in the year of 2010.
	4F	Inspection and packaging	It was built in the year of 2010.
	5F	Weaving	It was built in the year of 2010.
	6F	Design and development	It was built in the year of 2010.

	Building Name:		Production 2
	Floor	Description	Remark
	1F	Warehouse	It was built in the year of 2017.
	2F	Warehouse	It was built in the year of 2017.
	3F	Workshop	It was built in the year of 2017.
	4F	Warehouse	It was built in the year of 2017.
	5F	Warehouse	It was built in the year of 2017.
	6F	Warehouse	It was built in the year of 2017.
	7F	Warehouse	It was built in the year of 2017.
	8F	Warehouse	It was built in the year of 2017.
	9F	Warehouse	It was built in the year of 2017.
	10F	Warehouse	It was built in the year of 2017.
	11F	Warehouse	It was built in the year of 2017.
	Building Name:		Dormitory building
	Floor	Description	Remark
	1F	Used by lessor and as canteen and kitchen used.	It was built in the year of 2011.
	2F	Dormitory	It was built in the year of 2011.
	3F	Dormitory	It was built in the year of 2011.
	4F	Dormitory	It was built in the year of 2011.
	5F	Dormitory	It was built in the year of 2011.
6F	Dormitory	It was built in the year of 2011.	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on site observation, no visible structural integrity issue was observed, the factory buildings were in good condition.		

Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided Building Structure Safety Certificates for the buildings, and they were acceptable.
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	January to December
Process overview	The main products in the factory were seamless underwear. The manufacturing processes were as below: Raw material - Weaving- Cutting - Mold cup- Screen printing - Sewing - Packaging - Finished goods. The main equipment used in the factory were 8 cutting machines, 620 sewing machines, 160 weaving machines, and 7 mold cup machines, etc. Total 10 production lines were available in the factory.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	8 worker representatives were elected by workers.
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: About 80% of workers in on-site accommodation.
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

Audit Parameters			
Time in and time out	Day 1		
	In	08:50	
	Out	17:00	
Audit type:	FULL_INITIAL		
Was the audit announced?	SEMI_ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Tongbiao Che / HR manager		
Is further information available	No		

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	96	0	0	79	0	0	0	175
Worker numbers – female	178	0	0	102	0	0	0	280
Total	274	0	0	181	0	0	0	455
Number of Workers interviewed – male	5	0	0	9	0	0	0	14
Number of Workers interviewed – female	6	0	0	6	0	0	0	12
Total – interviewed sample size	11	0	0	15	0	0	0	26

Nationalities Structure		
Nationality of Management	Chinese	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Chinese	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Peak season was not obvious in the factory.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	100%
	Salaried:	0%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	Nil

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 workers in 5 groups (total 20 workers)
Number of individual interviews:	Male: 4 Female: 2
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?	All workers interviewed had a positive attitude to management and site, no complaint was raised to the auditor.
What did the workers like the most about working at this site?	All workers said that they were satisfied with working condition and the wages.
Any additional comment(s) regarding interviews:	All workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers to hours worked:	Workers were satisfied with the working hours arranged by the factory.
Is there any worker survey information available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There is an annual worker satisfaction survey conducted by management in the factory.

Attitude of workers:

The workers were assured of confidentiality, and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors and worker representatives who would take it to the worker and management committee.

Attitude of worker's committee/union reps:

Interview with the worker representative Ms.L, who said factory management and production supervisors were very care about workers and paid more attention to deal with workers' suggestions or complaints. The worker representative showed that the management was kind, and the workplace was comfortable. No negative information was identified.

Attitude of managers:

The factory management agreed that auditors access to all facilities and provide requested documents and records they have in a timely manner. Auditors were allowed to take photos and copy relevant documents in the factory. Interviews with workers were provided with rooms with adequate privacy away from production lines.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensured it is communicated to all appropriate parties, including its own suppliers.
- Mr. Che Tongbiao / HR Manager of management department was a designated person responsible for implementing standards concerning Human rights.
- Based on management interview and document review, the factory established procedures on social accountability.
- The factory had identified their stakeholders and salient issues in its supply chain.
- The factory had measured their direct, indirect, and potential impacts on stakeholders about human rights.
- When adverse impact on human rights within any of their stakeholders was identified, the factory would address these issues and enable effective remediation from stakeholders.
- The factory had communicated the company's human rights policies to stakeholders. The factory has designated person to receive complaints and suggestions from stakeholders through direct telephone, exclusive email, or letter.
- The factory had also built a transparent system for reports from internal and external reporters, while keeping the system reliable so no reporters shall fear any potential reprisals from the any parties.

Evidence examined:

- Employee handbook
- Supplier communication and evaluation records
- Procedures on social accountability
- Management and worker interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory established the policy which stated that expresses commitment to respect human rights.

Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies were included in workers' manual.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Che Tongbiao / HR Manager of management department was a designated person responsible for implementing standards concerning Human rights.
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a transparent system (confidential email and suggestion box) in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in HR office.
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 2.6% This year 2.4%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.6%
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 3.0% This year 2.5%

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)	2.0%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accident records were kept in files, but no accidents were occurred based on the accidents record.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	80.0%
	12 month	80.0%

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:

- Mr. Che Tongbiao / HR Manager of management department is responsible for meeting the legal and client's code requirements.
- Factory had a system to ensure that its supply chain should be in compliance with all legal requirements. Suppliers are expected to be operating legally in premises with the correct business licenses and permissions.
- There was an internal audit team who in addition took on the role for internal audit of the social standard of the factory, they reported to Mr. Che Tongbiao / HR Manager of management department. And management review was also conducted to evaluate effectiveness, adequacy, and adaptability of the social accountability management system regularly.
- ETI Base Code and client specific codes have been communicated to suppliers with notice letter.
- The factory had obtained a business license to operate.
- The factory provided the property leasing contract and the property ownership certificate of the building used onsite.
- The factory provided training on ETI Code of Conduct and communicated it to all employees.

Evidence examined:

- Client's code of conduct at the factory (posted in Chinese beside the production area).
- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.
- Property leasing contract and property ownership certificate of the buildings used by the auditee.
- Business licenses of the factory and the property owner.
- Training records, internal audit, and management review meeting minute.
- Management and worker interview

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes ☒ No

Please give details:

No such fine or prosecutions were identified.

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

☒ Yes ☐ No

Please give details:

Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staff.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had provided the training to management and workers. The related records were provided for review.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The factory did not have such certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No There is a HR department in the factory. Mr. Che Tongbiao was responsible for the HR.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Che Tongbiao / HR Manager of management department was responsible for implementation of the Code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy was established in employee handbook.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Procedure was established to ensure confidential information is kept confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established such process to address issues.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had a policy which require labour standards for its own 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: During the audit, the audited factory provided the property owner's business license, the property ownership certificates, and the leasing contract of the buildings and for review. Including the leased building and owned buildings.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site has system to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory obtained FPIC by collecting relevant information and investigation.
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: N/A
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No evidence of illegal appropriation of land for facility building or expansion of footprint was found.

1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The employees obtained their job by friend's recommendation or by the factory recruitment.
- The terms and conditions of employment in the employee handbook stated that the workers are free to leave the workplace outside of their working hours.
- There was a procedure stating that employees must present their ID cards for proof of age, but only copies must be kept in the personnel files and the original ones were given back to the workers.
- The employee handbook – given to all workers on joining, stated that employees within their probation periods were free to leave with 3 days written notice and once a worker was permanent (this was out of probation), they could resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also stated that they would be given their full wages on their last day of work.
- Labour contracts were signed between factory and workers according to the law. It was in line with legal requirement, no illegal term was identified.
- No forced, bonded or involuntary prison labour was identified during the audit.
- There was no deposit or recruitment fee requested by the factory.

Evidence examined:

- Factory rules
- Employee handbook
- Personnel files
- Labour contracts
- Resignation records
- 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)

☐ Yes ☒ No

Please give details:

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

☐ Yes ☒ No

Please give details:

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

☐ Yes ☒ No

Please give details:

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

☐ Yes ☒ No

Please give details:

No such restriction was found.

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

2 - Freedom of Association and Right to Collective Bargaining are Respected

[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- No trade union was available in the factory; 8 worker representatives were elected in the factory. The meeting records were provided for review.
- Through worker interview, the worker could rise up their opinion through worker representative or communicate with their supervisor.
- Workers could raise their grievances or complaint to their worker representative or management directly.

Evidence examined:

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

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)

- ☐ Union ☒ Worker Committee
- ☐ Other ☐ None

Other details:

8 worker representatives were elected by workers on 18 October 2023.

Is it a legal requirement to have a union?

- ☐ Yes ☒ No

Is it a legal requirement to have a worker's committee?

- ☐ Yes ☒ No

Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)

- ☒ Yes ☐ No
- Please give details:
Suggestion box.

Is there evidence of free elections?

- ☒ Yes ☐ 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: Adequate facilities were provided to conduct related business, such as meeting room, suggestion box, etc.
Name of union and union representative, if applicable:	NA. There was no trade union in the factory.
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?	There was a workers committee in the factory and 8 worker representatives were elected by workers freely.
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 knew who worker representatives were.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-10-18
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The latest meeting was conducted on 7 June 2024, safety and health topics were covered, it took about 30 minutes. Meeting minutes was produced and shared with the total workforce. The meeting records were provided for review.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management
 - Mr. Che Tongbiao / HR Manager of management department was appointed as EHS representative to be responsible for EHS management in the site.
 - Potable water was freely available in all areas.
 - Sufficient toilets segregated by gender were always available to workers.
2. Fire Safety
 - There were at least 2 exits from each work areas.
 - Fire equipment was adequate and checked once per month.
 - Evacuation plans were posted at each factory workshop.
 - Fire drills were organized and recorded once per six months, and the latest one was conducted on 27 June 2024.
3. Electrical safety
 - The electrical equipment was maintained in good condition.
 - There was 1 competent electrician at the site and the qualification certificate was available for review.
4. First aid services
 - There were adequate first aid kits in each production area.
 - There were 30 trained first aiders available in the factory.
5. Chemical safety
 - Safety label and MSDSs were available for all chemicals.
 - Workers who are responsible for chemical storage area confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
6. Occupational health
 - The workshop had ventilation equipment, lighting, temperature, noise level and dust level appropriate. An occupational hazards test report and a report of present situation occupational hazards were provided for review.
 - Employees understood the occupational hazard risks of their posts. PPE signs were posted on the walls of workshops.
7. Machine safety
 - All production machines were under safety conditions.
 - The equipment management personnel regularly maintained the equipment and kept the maintenance records.
8. H&S training to workers
 - The factory provided pre-job occupational health training and regular on-the-job occupational health training for employees and disseminated occupational health and safety knowledge.
9. Canteen area
 - There was a canteen within the factory yard operated by the property owner. The employees are free to choose whether or not to eat in the canteen, and paid by the employees.
10. Dormitory area
 - There were dormitory area provided by the factory.
11. PPE
 - The factory provided adequate and proper PPE to workers. Based on site observation, it was noted all workers in pot washing posts were wearing the proper PPEs such as earplugs and dust-proof masks during operation.

Evidence examined:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Training records
- Fire safety certificate
- Chemical list and MSDS for each chemical
- Fire drill records
- Trained first aider register
- Accident records
- Interview with factory management and workers
- Onsite observation
- Worker interview and management interview

Any other comments:

Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had general and occupational Health & Safety policies and procedures that were fit for purpose and communicated to workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employee manual/handbook covered the EHS policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no structural addition. The site had one valid building structure safety certificates for the buildings used onsite, and they were acceptable.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors were provided with PPE when visiting the site and informed on H&S issues.
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. There were adequate first aid kits in the factory.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There were 30 trained first aiders available in workshops.
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: The factory did not provide transport.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on onsite observation, secure personal storage space was provided for workers in their living space and is it fit for purpose.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: EHS risk assessments were conducted regularly with actions implementation. There were controls to reduce identified risks.

<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Based on site observation and document review, it was noted the factory conducted environmental impact assessment (EIA) and obtained the approval for EIA form and the Environmental Facilities Inspection and Acceptance Approval from the local environment authority. The pollutant discharge registration form was available for review. In addition, the hazardous waste was collected and disposed of by a qualified third-party company.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The site had a copy of the banned substances list from its customer and was meeting those requirements.</p>

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory established a policy on workers recruitment that workers must provide their original ID card for review and the copies of their ID cards were kept in their personnel file. And the policy stated that the factory didn't employ and use any child labour under the age of 16 years old.
 - The factory established remediation policy and programs 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. No child labour was found during the audit.
 - Checks of all workers files showed that the youngest worker on site was 18 years old who was born on 22 January 2006 and joined in the factory on 1 March 2024.
 - The factory has established the protection procedures for young workers. During this audit, it was noted that there was no young worker hired in the factory.
- Remark: In China, the minimum age of worker is 16 years old. Workers between 16-18 are regarded as young labour.

Evidence examined:

- Policy on workers recruitment
- Personnel files including the copies of their ID cards
- Roster and labour contracts of sampled workers
- Management and worker interview

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	18
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: No worker under 18 in the factory.

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:

- The local legal minimum wage was RMB 1720/month since 1 December 2021 (RMB 9.89 per hour).
- All workers' wages were calculated by hourly rate. The factory paid at least RMB 1720 per month (the same as RMB 9.89 per hour) as minimum wage. The minimum wages met the local legal requirement.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends and statutory holidays respectively.
- The wage was paid before 20th of following month by bank transfer and each worker was given a pay slip and signed for their wages.
- All workers are 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.
- Based on document review and management interview, the factory provided retirement insurance, unemployment insurance, medical insurance, maternity insurance and work-related injury insurance to some workers.

Evidence examined:

- Payroll records from August 2023 to July 2024.
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees (to examine agreed wage rates)
- Leave records and resignation records
- Pay slips of all interviewed workers
- Payment receipts of social insurance
- Workers and management interview

Any other comments:


Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 184.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 3.0 Per Week: 26.0 Per Month: 120.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 1720	Actual Per Day: 0 Per Week: 0 Per Month: 1720	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)	26 workers in August 2023 (random month); 26 workers in April 2024 (random month); 26 workers in July 2024 (current month).		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The factory paid RMB 1720 per month as minimum wage to workers, which was in compliance with legal requirement.		
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: Full attendance award RMB100 per month, Length of service award RMB100-RMB1000 per month, and housing add award RMB350 per month for all workers Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, personal income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	Social insurance was deducted required by law. The factory provided social insurance to 44.82% of workers. Individual income tax: would be deducted required by law when reaching the start point of the personal income tax.		

Please list all deductions that have not been made.	1. Social insurance The factory did not provide social insurance to 55.18% of workers. 2. Individual income tax: would be not deducted required by law when not reaching the start point of the personal income tax.
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided all workers' attendance records from August 1, 2023 to the audit day and payrolls from August 2023 to July 2024 for review.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory reviewed the wages yearly refer to local bureau etc.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employee's interviews' interview, it was confirmed that equal rates are being paid for equal work.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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>d431cd7e-663d-4c11-bc00-ac9ba00c23dc</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 checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. ...</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>The auditor found that the factory had insufficient social insurance coverage. Based on social insurance payment records in September 2024, it was noted that there were 480 employees in the factory (including 33 retired employees, and 3 new employees who were less than one month). The factory provided retirement insurance, unemployment insurance, work-related injury insurance, medical insurance, and maternity insurance to 190 employees (Occupied rate 42.80%).</td></tr></table>			Non-Compliance		Status	OPEN	Reference	d431cd7e-663d-4c11-bc00-ac9ba00c23dc	Clause	5 - Living Wages are Paid	Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Subcategory	Benefits & Insurance	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. ...	ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	Explanation to the non compliance	The auditor found that the factory had insufficient social insurance coverage. Based on social insurance payment records in September 2024, it was noted that there were 480 employees in the factory (including 33 retired employees, and 3 new employees who were less than one month). The factory provided retirement insurance, unemployment insurance, work-related injury insurance, medical insurance, and maternity insurance to 190 employees (Occupied rate 42.80%).	<div></div> <div>The auditor found that the factory had insufficient social insurance coverage..jpg</div>
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Local law issue	Labor Law of the People's Republic of China (2018 Amendment) Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and 5. Child-bearing. ...																										
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.																										
Explanation to the non compliance	The auditor found that the factory had insufficient social insurance coverage. Based on social insurance payment records in September 2024, it was noted that there were 480 employees in the factory (including 33 retired employees, and 3 new employees who were less than one month). The factory provided retirement insurance, unemployment insurance, work-related injury insurance, medical insurance, and maternity insurance to 190 employees (Occupied rate 42.80%).																										

	<p>The factory had provided commercial accident insurance for all employees which valid from 21 March 2024 to 20 March 2025.</p> <p>审核员发现工厂的社会保险覆盖不足。根据工厂提供的2024年9月社会保险缴费单据显示工厂的480名员工(包含33名退休返聘员工及3名不满一个月的新员工)中为190名(占比42.80%)员工提供了养老保险, 失业保险, 工伤保险, 及医疗保险和生育保险。工厂给所有员工购买了商业意外险, 有效期从2024年3月21日到2025年3月20日。</p>
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<div><input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days</div> <div><input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days</div> <div><input type="checkbox"/> 365 days <input type="checkbox"/> Other</div>
Actions	<p>The factory should provide social insurance for all eligible workers required by law.</p> <p>工厂应给所有符合参保条件的员工提供社保。</p>

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

6: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory provided all workers' attendance records from 1 August 2023 to 14 September 2024.
- The working time of workers were recorded by face identification scanning attendance system.
- One shift was available for most workers (08:00-12:00; 13:30-17:30), and two shifts were available for weaving workers (08:00-20:00, and 20:00-08:00 next day). All workers had at least one day off per seven days.
- Based on attendance records review, the workers' max daily OT was 3 hours, the max weekly OT was 26 hours, and the max monthly OT was 120 hours.
- The factory did not obtain any Comprehensive Working Hour System Approval.
- Through employees' interview, overtime is voluntary.

Evidence examined:

- Factory policy on working hours
- Local and national laws
- Computerized time logging system
- Workers contracts
- Sample pay slips with recorded hours all interviewed workers
- Attendance records showing highest and lowest hours over all employees.
- Quality and production records to cross check working hours
- Interview with workers and management

Any other comments:

Nil

Working hours' analysis

Systems & Processes

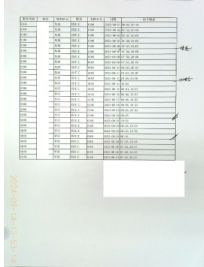
What timekeeping systems are used? Face identification scanning attendance system.

Is sample size same as in wages section? ☒ Yes ☐ No

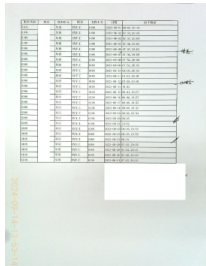
Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	0-3 hours per day, 23-26 hours per week, 77-120 hours per month in August 2023 (random month); 0-3 hours per day, 23-26 hours per week, 86-96 hours per month in April 2024 (random month); 0-3 hours per day, 23-26 hours per week, 90.25-113 hours per month in July 2024 (current month).
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Maximum weekly working hours are 66 hours.
Approximate percentage of total workers on highest overtime hours:	80.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Contracts stated that overtime may be requested but it is voluntary.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 150% of normal wage for overtime on workdays; 200% of normal wage for overtime on rest days; 300% of normal wage for overtime on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The factory paid adequate overtime wages to all workers as per legal requirements. 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	N/A
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	The maximum weekly working hours were 66 hours. And based on workers interview, workers said they would like to work overtime to earn more overtime wage.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Non-Compliance		Evidence																									
[Back to findings summary]																											
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	<p>packing, and warehouse departments) the maximum monthly overtime hours were 90.25-113 hours in July 2024. Based on the records, the workers' monthly overtime exceeds 36 hours required by laws.</p> <p>员工月加班时间超出法规要求。 根据工厂提供的2023年8月1日至2024年9月14日的考勤记录，其中从2023年8月（随机月），2024年4月（随机月）和2024年7月（当前月）各抽取26个样本发现： •26名员工（织造，裁剪，针车，检验，包装和仓库部门）在2023年8月的加班时间为77-120小时； •26名员工（织造，裁剪，针车，检验，包装和仓库部门）在2024年4月的加班时间为86-96小时。 •26名员工（织造，裁剪，针车，检验，包装和仓库部门）在2024年7月的加班时间为90.25-113小时；所以根据记录，员工的月加班超过法规要求的36小时。</p>
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	<p>The factory should make sure the overtime working hours of all workers are in accordance with legal requirement.</p> <p>工厂应确保工人的加班时间符合法规要求。</p>

Non-Compliance		Evidence																							
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	<p>•26名员工（织造，裁剪，针车，检验，包装和仓库部门）在 2023 年8月中有3到4个星期的每七天工作间为63到66小时；超过每七天总工作时间不能超过60小时的要求。</p> <p>•26名员工（织造，裁剪，针车，检验，包装和仓库部门）在 2024 年4月中有4到5个星期的每七天工作间为63到66小时；超过每七天总工作时间不能超过60小时的要求。</p> <p>•26名员工（织造，裁剪，针车，检验，包装和仓库部门）在 2024 年7月中有4到5个星期的每七天工作间为63到66小时；超过每七天总工作时间不能超过60小时的要求。</p>
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	<p>The factory should ensure that all employees' working hours be not exceed 60 hours per every seven days.</p> <p>工厂应确保所有员工七天工作时间不超过60小时。</p>

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnic beliefs and political background, etc.; Female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement.
- There was no evidence of sexual harassment.

Evidence examined:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%		Female: 50.0%	
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2 female employees as accountant and 2 female employees as laboratory analysts.			
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	Based on worker interview and onsite observation, no negative evidence was identified.			
Professional Development				
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.			
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			



8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- All workers were recruited by the factory directly.
- No labour agency was used to hire workers.
- No temporary worker, apprenticeship schemes or home worker was identified by auditor.
- All interviewed workers had received a signed labour contract.

Evidence examined:

- The hiring and termination procedure
- Personal files
- Payroll records
- Labour contracts of all workers
- Business license
- Management and worker interview

Any other comments:

Nil

Responsible Recruitment

All Workers

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

- ☒ Terms & Conditions presented ☒ Understood by workers
- ☒ 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:	There were no foreign migrant workers the factory. Domestic migrant workers were from other provinces of China, such as Sichuan province, Guizhou province and Yunan province, they worked in different positions in the factory.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A, no such deduction was noted.
Is there any observation on this finding?	N/A
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All permanent workers in all types of work in the factory.
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. No agency was used by to hire workers.
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. No agency was used by to hire workers.
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. No agency was used by to hire workers.
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: There was no contractors on site.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no contractors on site.

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- A site tour showed that all production processes were present in the factory.
- Cross check showed that no subcontractor and home working present in the factory.
- The factory had established social accountability manual including sub-contracting control procedure.

Evidence examined:

- Site tour
- Materials in/out records
- Interview with management and workers
- Social accountability manual

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:

- 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. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers interview, there was no such negative evidence happened in the past.
- There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.
- The duties of security guard were to protect safety of factory's property, to regularized entrance/exit of goods/vehicles/ employees/ visitors.

Evidence examined:

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

Any other comments:

Nil

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

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

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

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on document review, management and worker interview, all workers in the factory were Chinese. Most employees were migrant workers who came from other provinces. All workers had the proper legal rights to work in this region. The youngest worker in the factory was 18 years old. All of them were recruited directly by the factory and no agency was involved in the factory's recruitment processes.
- Recruitment procedures and employment procedures, the factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No agency staff or foreign worker was used by the factory.
- The factory collected related laws on entitlement to work and immigration.

Evidence examined:

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

Any other comments:

Nil

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

10B2: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory had procedure on environment protection and nominated Mr. Che Tongbiao / HR Manager of management department as responsible person for co-ordinating the site's efforts to improve environmental performance and responsible for the compliance with the Code and the legal requirements of environment.
- 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.
- Based on site observation and document review, it was noted the factory conducted environmental impact assessment (EIA) and obtained approval for EIA form, and the Environmental Facilities Inspection and Acceptance Approval from the local environment authority.
- The Fixed Source Emission Registration Receipt was available for review.
- The factory monitored the environment aspects every year and provided related monitoring reports for review. In addition, the hazardous waste was collected and disposed of by a qualified third- party company.
- Based on worker interview, they were trained on environmental protection.
- The factory did not obtain internationally recognized certification.


Evidence examined:

- Emergency action procedures. The factory established emergency action procedures.
- Environment policy & procedure. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Environmental impact assessment (EIA).
- Approval for EIA form.
- Environmental Facilities Inspection and Acceptance Approval.
- Fixed Source Emission Registration Receipt.
- Environment monitoring reports.
- Hazardous waste disposal contract signed by the factory and a qualified third-party company.
- Management and worker interview.

Any other comments:

Nil

Attachments

 <u>SMETA-JSASCN24493511-Guangdong Singwear Garments Co Ltd-14 September 2024-Initial-Photo report.pdf</u>	 <u>SMETA-JSASCN24493511-Guangdong Singwear Garments Co Ltd-14 September 2024-Initial-Onsite CAPR.pdf</u>
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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

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