SMETA®

Sedex Members Ethical Trade Audit Report

Version 6.1

Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC5000036150	Sedex Site Reference: *(only available on Sedex System)*	ZS1000042306
Business name (Company name):	Suzhou Huihai Sanitary Products Co.Ltd		
Site name:	Suzhou Huihai Sanitary Products Co Ltd		
Site address:	No.8， Yueyang Road, Yuewang， Shaxi Town, Taicang City, Jiangsu Prov. China 江苏省太仓市沙溪镇岳王岳杨路8号 Taicang 215421 CN	Country:	CN
Site contact and job title:	Shen Feng / Factory Director		
Site phone:	18936156311	Site e-mail:	huihai@6688future.com
SMETA Audit Pillars:	☑ Labour Standards ☑ Health and Safety (plus Environment 2-Pillar)	☑ Environment 4-pillar ☑ Business Ethics	
Date of Audit:	2024-07-19		

Audit Company Name:
GCL International

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐		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:	Andrew Lin	APSCA Number:	21700807
Additional Auditors:			
Date of declaration:	2024-07-20		

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:	Shen Feng
Title:	Factory Director
Date of declaration:	2024-07-20
Comments: *Any exceptions to this must be recorded here (e.g. different sample size):* *Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).* *The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives*	
Management agreed with the CAPR	

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - ZAF600573348 NC - ZAF600573349
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2–pillar			0	0	0	
10B4 - Environment 4–pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For chemical, a safety label shall be applied and MSDS be provided for worker.
§2	In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

Site Details

<table>
<tr><th colspan="4">Site Details</th></tr>
<tr><td>Company Name</td><td colspan="3">Suzhou Huihai Sanitary Products Co.Ltd</td></tr>
<tr><td>Site Name</td><td colspan="3">Suzhou Huihai Sanitary Products Co Ltd</td></tr>
<tr><td rowspan="2">GPS location
(if available)</td><td>GPS Address:</td><td colspan="2">No.8, Yueyang Road, Yuewang, Shaxi Town, Taicang City, Jiangsu Prov. China</td></tr>
<tr><td>Coordinates:</td><td colspan="2">Latitude: N 31.5314°,
Longitude: E 121.1501°</td></tr>
<tr><td>Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections</td><td colspan="3">Business License: No. 91320585MA26A0GX29 Validity: 16/06/2021--15/06/2051</td></tr>
<tr><td>Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc</td><td colspan="3">Manufacture of Dry sweeping cloths, Dusting Duster, Handy wiper, Dust removal mop cloths, Floor sweeper mop set.
Process: Auto Line of Raw materials feeding- folding - pressing - cutting - fiber opening - finished product, Assembly for Floor sweep set, Inspection, Packing, Warehousing</td></tr>
<tr><td>Site description:
(Include size, location, and age of site. Also, include structure and number of buildings)</td><td colspan="3">Suzhou Huihai Sanitary Products Co., Ltd was established on 16/06/2021 and located at No.8, Yueyang Road, Yuewang, Shaxi Town, Taicang City, Jiangsu Province, China. There was one 2-storey office building (with eating room but no kitchen, total 298 ㎡) and one 1-storey production building (with a construction area of 1,314.78 ㎡) in the factory. The facility did not provide dormitory for workers.</td></tr>
<tr><td rowspan="8">Structure and number of buildings</td><td>Building Name:</td><td colspan="2">Office building</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>1</td><td>Office</td><td>Nil</td></tr>
<tr><td>2</td><td>Eating area (no kitchen)</td><td>Nil</td></tr>
<tr><td>Building Name:</td><td colspan="2">Production building</td></tr>
<tr><td>Floor</td><td>Description</td><td>Remark</td></tr>
<tr><td>1</td><td>Auto Line of Raw materials feeding- folding - pressing - cutting - fiber opening - finished product, Assembly for Floor sweep set, Inspection, Packing, Warehousing</td><td>Nil</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>Visible structural integrity issues (large cracks) observed?</td><td colspan="3">☐ Yes ☑ No

Please give details:

Through site tour, there was no visible structural integrity issues observed on the audit days</td></tr>
</table>

Does the site have a structural engineer evaluation?	☑ Yes ☐ No Please give details: The facility provided the official acceptance report of building completion (No. E25300295) issued by the government on 10/08/2007 for review.
Site function	☐ Agent ☑ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack house ☐ Primary Producer ☐ Service Provider ☐ Sub-contractor
Months of peak season	August to December
Process overview	Process: Auto Line of Raw materials feeding- folding - pressing - cutting - fiber opening - finished product, Assembly (for Floor sweep set), Inspection, Packing, Warehousing. (2 auto lines and 1 packing machine)
What form of worker representation is there on site?	☐ Union ☑ Worker Committee ☐ Other ☐ None
Please give details:	Worker committee of Suzhou Huihai Sanitary Products Co Ltd.
Is there any night production work at the site?	☐ Yes ☑ No
Are there any on site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Are there any off site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Were all site provided accommodation buildings included in this audit	☐ Yes ☑ No Please give details: As no accommodation was provided by the facility.

<table>
<tr><th colspan="6">Audit Parameters</th></tr>
<tr><td rowspan="3">Time in and time out</td><td colspan="2">Day 1</td><td colspan="2">Day 2</td><td rowspan="3"></td></tr>
<tr><td>In</td><td>08:00</td><td>In</td><td>08:00</td></tr>
<tr><td>Out</td><td>17:00</td><td>Out</td><td>12:00</td></tr>
<tr><td>Audit type:</td><td colspan="5">FULL_INITIAL</td></tr>
<tr><td>Was the audit announced?</td><td colspan="5">ANNOUNCED</td></tr>
<tr><td>Was the Sedex SAQ available for review?</td><td colspan="5">Yes</td></tr>
<tr><td>Any conflicting information SAQ/Pre-Audit Info to Audit findings?</td><td colspan="5">No</td></tr>
<tr><td>Who signed and agreed CAPR</td><td colspan="5">Shen Feng / Factory Director</td></tr>
<tr><td>Is further information available</td><td colspan="5">No</td></tr>
</table>

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
Reason for absence at the opening meeting	As there is no trade union in the facility and it is not a mandatory requirement.		
Reason for absence during the audit	As there is no trade union in the facility and it is not a mandatory requirement.		
Reason for absence at the closing meeting	As there is no trade union in the facility and it is not a mandatory requirement.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	3	0	0	0	0	0	0	3
Worker numbers – female	8	0	0	0	0	0	0	8
Total	11	0	0	0	0	0	0	11
Number of Workers interviewed – male	2	0	0	0	0	0	0	2
Number of Workers interviewed – female	8	0	0	0	0	0	0	8
Total – interviewed sample size	10	0	0	0	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	☐ Yes ☑ No
Were workers aware of the code?	☑ Yes ☐ No
Number of group interviews:	1 group of 4 workers
Number of individual interviews:	Male: 1 Female: 5
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.	☑ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☑ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☑ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	No complaints received from workers
What did the workers like the most about working at this site?	Management are kind and the working environment is acceptable. OT is appropriate.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Workers appreciated the appropriate OT working hours and the OT wage which can increase the income. And all workers stated they appreciates that they can work in this factory which is close to their residence.
Is there any worker survey information available?	☐ Yes ☑ No Please give details:

Attitude of workers:
10 workers (1 groups of 4 and 6 individuals) were randomly selected by auditor from different workshops for interviews; The workers showed a cooperative attitude during the interview process. Based on workers interview, they expressed their positive attitude to the management and payment. Most workers were satisfied with working conditions and benefits provided by the factory. The effective evidence were collected by workers interview, the following information was summarized: 1. For employment freely chosen issues, workers said they were not required to lodge "deposits" or their identity cards at the recruitment and were free to leave or resign after reasonable notice. 2. For freedom association issues, all interviewees reflected that workers could complain to management or worker representative directly or by writing letters through suggestion box, all interviewed workers were aware of workers' representative. 3. For safety and health issues, all workers stated that factory provided induction training for new workers and regular safety training for all workers. Workers said they had participated in fire drills and first aid training. All of them knew how to use the fire-fighting equipments. No dormitory was provided. The eating room was provided but no kitchen was provided, They can take the lunch meal in the eating room or go home to take per personal wish. Free drinking water was available for usage. 4. For child labour issues, all interviewees confirmed that the factory checked their ID cards to verify their age and had never seen or heard any child labour less than 16 years old employed in this factory. 5. For wages and benefits issues, all workers said they were paid by hourly rate. Their wages were paid on or before the 20th of the following month by cash. They could check the wages if they had any doubts. All workers in regular Working age were covered in the social insurance and other workers (retired) are covered in commercial insurance. 6. For working hour issues, all employees worked in one shift per day (Working day: Monday-Friday, 8 hours/day, 40hours/week) which was from 08:00 to 17:00 with 1.0 hours' rest from 11:30 to 12:30. No OT after the regular shift. They usually had OT work on Saturday (OT in rest day, 8:00 to 17:00 with 1.0 hours break) and rest on Sundays and 1 day rest of 7 days are ensured. And workers can reject the OT if they don't want the OT. 7. For discrimination issues, they said they could obtain the job based on their working experiences and abilities. Female worker or male workers' wages were calculated at the same rate for the same work. 8. For regular employment issue, all interviewees said that the factory had signed contracts with them within one week since recruitment and they had a copy of the contract in hand.
Attitude of worker's committee/union reps:
Interview with the worker committee representatives, the interviewees expressed that the facility management was nice to them, they could freely express their opinions, will, advice and suggestion without any fear or concern and they also could make grievance if necessary. No negative information was observed during the audit.
Attitude of managers:
The factory management showed open and positive attitude to the audit. The factory management agreed that the auditor took photos of the factory and factory compound and copy relevant documents/records. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. The factory agreed that the auditor had accesses to all facilities, compound and documents and records requested by the audit. At the end of the audit, all findings were accepted by the facility management.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. According to the documents review on the procedure files and management policy documents, the facility had established a policy, endorsed at the highest level, covering human rights impacts and issues, and the management provided the agreements signed by both the facility and its appropriate parties including its own suppliers to show they have communicated to its appropriate parties. 2. The facility had posted the policy about respecting Human Rights in the bulletin board, for example, Child labour shall not be used, Forced Labour shall not be used, No discrimination is practiced, No harsh or inhumane treatment is allowed. 3. The appointment letter of management representative (Mr. Shen Feng/Factory Director) for implementing standards concerning Human rights was also provided for review. 4. The facility provided the stakeholders situation for review. 5. The facility provided the assessment report for measuring the direct, indirect, and potential impacts on stakeholders (rights holders) human rights to the auditor for review.
Evidence examined:
1. Documentation files were reviewed. It stipulates complying with Human Rights, written policies and procedure that being provided individually to employees. 2. Letter of Authorization (Mr. Shen Feng/Factory Director) on implementing Human Rights 3. Impact for Human Rights assessment report. 4. Management interview and employee interview.
Any other comments:
Nil

Policy statement that expresses commitment to respect human rights?	☑ Yes ☐ No Please give details: The facility had posted the policy and ETI COC about respecting Human Rights in the bulletin board, including Child labour shall not be used, Forced Labour shall not be used, No discrimination is practiced, No harsh or inhumane treatment is allowed.

Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: The policies were included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	☑ Yes ☐ No Please give details: Mr. Shen Feng/Factory Director
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?	☑ Yes ☐ No Please give details: The facility established a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter by means of suggestion box, making the contact way of Factory Director and Manager in bulletin board and public areas in the facility, and the facility protects the reporter, and their identity will not be disclosed to any other party.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☑ Yes ☐ No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☑ Yes ☐ No Please give details: The site has a locked filing cabinet with workers personnel records. Workers can access their personnel records if they request it. Only HR staff will have the access to employee's personnel information.
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 2.0% This year 1.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 2.0% This year 1.0%

Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	1.0%
Are accidents recorded?	☑ Yes ☐ No Please give details: The management personnel, Shen Feng/Factory Director is responsible for keepings a record of accidents. As per record, no accidents happened in last 12 months
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 0.0% 12 month 0.0%

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. According to the procedure documents and employee manual, the facility had established a system to deliver compliance to the code which included child labour prohibition system and overtime work control system etc. 2. The facility had posted the ETI Base Code in the workshop and had communicated this ETI Base Code to all employees and its own suppliers. 3. The appointment letter of management representative (Mr. Shen Feng / Factory Director) for management of ETI compliance was also provided for review. 4. There are procedures available to ensure workers information are kept confidential. 5. The auditor cross-checked attendance records provided by management with related production records collected from production workshops and interview 10 sample employees. No inconsistency was noted.
Evidence examined:
1. Employee Handbook was reviewed. It stipulates complying with ETI Code, written policies and procedure that being provided individually to employees. 2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law. 3. Training records abou the ETI code (Most recent: 18/04/2024) 4. Management interview and employee interview.
Any other comments:
Nil

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☑ No Please give details: Verified via social media and management interview, the site had not been subject to any fines or prosecutions for non–compliance to any regulations in the last 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: Policies existed for some of these areas (Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics).

If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies were communicated to workers via poster and annual training. Through documents review and workers interview, policy on No harsh treatment and Environment was fully in compliance with the code. Workers stated no forced labour, no child labour was found, there were both female and male among management/supervisors.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: Standards on 'forced labour, child labour, discrimination, harassment & abuse' were communicated to workers and managers though posters and annual training.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☑ Yes ☐ No Please give details: Training records: - Annual training for all employees, last conducted on 18/04/2024. - Introductory of CSR and ETI code training records for employees. Confirmed via management and worker interview.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☐ Yes ☑ No Please give details: N/A The facility had not obtained any internationally recognized system certification.
Is there a Human Resources manager/department?	☑ Yes ☐ No Mr. Shen Feng/Factory Director is in charge of HR department.
Is there a senior person /manager responsible for implementation of the code?	☑ Yes ☐ No Please give details: Mr. Shen Feng/Factory Director is responsible for implementation of the code.
Is there a policy to ensure all worker information is confidential?	☑ Yes ☐ No Please give details: A displayed policy on the confidentiality of an individual's personal information.
Is there an effective procedure to ensure confidential information is kept confidential?	☑ Yes ☐ No Please give details: The Admin Staff explained the keeping of confidential information.Through employee interview, they showed their confidential information is kept confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	☑ Yes ☐ No Please give details: The risk assessment was conducted through Management team on 06/03/2024.

Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The facility established a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks. （such as controlling the overtime working hours and reduce the risk of OHS in operation）
Does the facility have a policy/code which require labour standards of its own suppliers?	☑ Yes ☐ No Please give details: The facility have a policy which required the Labour standards of its own suppliers and communicated to suppliers.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☑ Yes ☐ No Please give details: The site showed the auditor originals of all required land rights licenses and permissions which belonged to landlord (Taicang People's Printing Co., Ltd.） All of required land rights licenses were provided, like the fire acceptance report, acceptance report for completion of buildingand the leasing contract etc.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☑ Yes ☐ No Please give details: The facility established a 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?	☐ Yes ☑ No Please give details: Remark: The land in China mainland belongs to the State-owned Assets. Anybody, no matter the characters, could only rent the land from governmental department for a fixed period. If the factory would like to use the land, it should apply for it from governmental department. The governmental department would make decision on whether to provide the approval.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☑ Yes ☐ No Please give details: The landlord had compensated the lessor (State-owned Taicang People's Printing Co., Ltd.) prior to the facility being rented.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☑ Yes ☐ No Please give details: This area where the factory located was assigned as industry purpose by governmental department.

Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☑ No Please give details: All the areas of factory were legal according to the management interview and document review.

1 - Freely chosen Employment [Summary of Findings]
1: Compliance Requirements 1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The factory has a policy which prohibits forced labour and this was available for review. 2. There was a non-formalized application procedure which states that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers. 3. The employee handbook – given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work. 4. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours. 5. Security guards state that they must not prevent workers from leaving the premises outside of working hours and where they are conducting searches that this is at the request of management, is done on a sample basis and is performed discretely and without significant delay to workers leaving at the end of shift.
Evidence examined:
1. Personnel files (sample of 10 were checked) 2. Resignation records 3. Factory rules 4. Employee handbook 5. Management and worker interview
Any other comments:
Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	☐ 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: Interviewd via management and worker representative, no any restrictions on workers' freedom to terminate employment.

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☑ Not Applicable Please give details: The facility is not UK based or registered there.
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☑ No Please give details: Interviewed via management and worker representative, all workers are free to leave the site at the end of the working day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☑ Yes ☐ No ☐ Not Applicable Please give details: The facility established a policy about forbidden of forced / trafficked / bonded labour and implement strictest management to control the risk of forced / trafficked / bonded labour in it's supply chain. The facility sent agreement of commitment to its suppliers, and operated social responsibility audit on suppliers to control the risk of forced / trafficked / bonded labour in it's supply chain. Meanwhile, the facility management trained all the workers on the policy, and the workers have right to choose overtime working or not, and leave the site after work freely every day, and leave his job freely in accordance with the legal requirement with wage settlement. The facility, together with its suppliers and workers understand the risk of forced / trafficked / bonded labour, and observe it strictly.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☑ Yes ☐ No Please give details: The facility provided the training to management and singed the agreement with the supply chain to reduce the risk of forced or trafficked labour.

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
1.There was no trade union in the factory. 2. Worker representative election freely without distinction from management. 3.The periodical communication meeting between the management and employee representative are conducted quarterly and meeting minutes retained for review. 4.The facility has established a mechanism to facilitate feedback from workers, workers could raise their concerns through employee representative, their supervisors, HR department, and anonymous complaint could be raised via suggestion box
Evidence examined:
1. Procedures of freedom of association 2. The election records (11/12/2023, 1 worker representative were elected). 3. Worker committee meeting records (recent records: 22/06/2024) 4. Worker interview, Worker representative interview, Management interview.
Any other comments:
Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☐ Union ☑ Worker Committee ☐ Other ☐ None
Other details:	1 worker representative was elected on 11/12/2023 without the management interference.
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: The E-mail address and telephone number of top management were posted in and workshop area and workers can address their complaints by E-mail and telephone calls. And H&S Committee is also a form of communication channel for workers.
Is there evidence of free elections?	☑ Yes ☐ No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☑ Yes ☐ No Please give details: The meeting room is free for worker's committee.
Name of union and union representative, if applicable:	N/A There was no union.
Is there evidence of free elections?	☐ Yes ☐ No ☑ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee of Suzhou Huihai Sanitary Products Co Ltd. (1 worker representative)
Is there evidence of free elections?	☑ Yes ☐ No ☐ Not Applicable
Are all workers aware of who their representatives are?	☑ Yes ☐ No Please give details: Employees are aware of the worker representatives, and it was confirmed during the worker interview.
Were worker representatives freely elected?	☑ Yes ☐ No
Date of last election:	2023-12-11
Do workers know what topics can be raised with their representatives?	☑ Yes ☐ No
Were worker representatives/union representatives interviewed?	☑ Yes ☐ 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 last communication meeting was held on 22/06/2024 which covered the operation safety, PPE issuing, risk control on fire safety and preventing heat stroke in summer operation. And the facility communicated the minutes to the workers via meeting on the same day：22/06/2024.
Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☑ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1.A health and safety committee is made up of managers, supervisors and employees. The committee meetings regularly discuss health and safety risks in the production site, organize training, analyze accident records and agree potential solutions to minimize risks and protect workers. 2. Mr. Shen Feng/Factory Director was appointed responsible for H&S issues in the factory. 3. The management understood the principles of risk assessment on health and safety and the assessment reports retained for review. 4. The health and safety policy, manual, procedures were checked and communicated to employees. They are sufficient for the level of risk inherent in the industry. 5. All necessary permits and certificates relevant to that company of operation are available such as construction completion and fire safety inspection certificate, training certificate of safety production knowledge of the principal in charge for review. 6. The necessary protective equipment is provided free of charge as risk assessment and replaced on a regular basis such as mask and earplug in the hazardous section (auto line). 7. For the electricity management, there was sufficient space around the electric installation and electric wire, the distribution wires in the warehouse were placed in metal or flame-retardant plastic pipes for protection, and electric shock warning signs were marked on electricity devices and circuit where electric shock may happen which were made of durable material. Outer and inner cover was installed to all electrical control panels. 8. No special equipment such as fork lift and elevator was in the factory. 9. Chemical was (paraffin oil for the auto line production to paste in the surface of sweeping cloths) used. However, no MSDS (Material Safety Data Sheet) was provided in the chemical storage area (issue title: 230) and the containers were stored in warehouse, but there was no secondary containment to prevent the possible leakage. (issue title: 240) 10. Sufficient fire-fighting equipment were in place and most equipment was maintained in a good condition. Total twice fire drills were conducted and once involves setting off the fire alarm without warning anyone to assure that all workers understand how to escape from the buildings without management permission. 11. Fire drill records indicated the evacuation time, employee numbers participated in the fire drills etc. 12. All necessary certificates for operators were available, e.g. electrician certificate. 13. Adequate toilet was provided, and the hygiene condition of toilets was acceptable. Water was provided for workers and the factory obtained the testing report of drinking water. 14. Employees were trained on machine safety regulation. 15. No dormitory a was provided for workers. Eating room (with table and chair but no kitchen) was provided. The factory provided the free drinking water for workers. 16. There was one first aiders trained in the facility and all necessary medical supplies in first-aid kit (Total 2 first aid boxes in the workshop) were adequate. Totally, in Section 3: Working Conditions are Safe and Hygienic, there were total 2 non-compliances found. For details, please refer to the contents of Findings.
Evidence examined:

1. Health and safety policy 2. Health and safety committee meeting minutes (Recent 21/06/2024), Responsible staff appointment letter (03/01/2024) 3. Workplace risk assessment review dated 06/03/2024 4. Emergency preparedness procedure 5. Workplace air, noise inspection report: SYFJS24060533 24/05/2024 which result is compliant to legal limit 6. Awareness training on Workplace safety, PPE usage dated (23/04/2024) (No. of participants: 10), Chemical usage training (29/04/2024) 7. Machine safety and hygiene training record (17/04/2024 No. of participants: 10) 8. Fire-prevention pre-training （verbal explanation, instruction of the content of this drill, objective, evacuation line, assembling) record (latest) dated 08/04/2024 for all employees (16:30-17:00 Number of participants: 11) 9. Fire evacuation and drill training record (latest) dated 26/04/2024 (16:30-16:35 for workshop evacuation and rollcall, 16:35-16: 45 for fire-fighting equipment's operation drill and 16:45-16:55 for conclusion Number of participants：11. The drill covered all the risk assessment point of fire prevention and the management team reviewed the result of the drill on the drill day and have the plan to conduct the next drill in 6 months again. 10. 1 First-aid training certificates (No. TC2406209271284, Effective on: 20/06/2024, trained by Taicang Red Cross), and Total 2 first aid boxes in production workshop. 11. Drinking water test report (No :WPVS242028) Date: 22/05/2024 12. Electrician certificate： T430426197012173919 （11/12/2019-10/12/2025） Safety staff training certificate: No. 522510230908010 Trained on: 08/09/2023 13. Fire Safety equipment like emergency light, fire alarm, fire hose (No. of fire extinguishers: 22, Fire hose: 2, fire alarm: 4, Emergency exit: 2, Emergency light: 16) maintenance records (Recent inspection date: 01/07/2024) 14. Accident register - No accident registered in last 12 months 15. All workers are covered in commercial injury insurance (TAIPING PENSION CO.,LTD Contract No:000026185816189 Validity: 05/01/2024—04/01/2025). 16. Sanitary: 3 toilets and 2 urinals for male workers and 3 toilets for female workers 17. Acceptance checks for completed building (No. E25300295) issued by the government on 10/08/2007) and buildings Fire prevention certificate: STGXY[2009] No. 0051, effective: 13/02/2009. 18. Interviews with H&S responsible staff. 19. Interviews with workers and H&S committee members.
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☑ Yes ☐ No Please give details: The facility established Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and trained the employees.(Recent training: 23/04/2024)
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: The policies are included in worker's manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☑ No Please give details: The factory has acceptance checks (No. E25300295 issued on 10/08/2007) for completion of the buildings. No additional floor added.

Are visitors to the site informed on H&S and provided with personal protective equipment?	☑ Yes ☐ No Please give details: Visitor's badges had H&S information on them and the visitor was requested to wear the PPE (Mask and earplug) when visiting the factory.
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))	☐ Yes ☑ No Please give details: Not applicable for Medical room. There were adequate first aid kits (total 2 first aid box) in workshop and they were well stocked.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☑ Yes ☐ No Please give details: There was 1 first aider with the certificate No. TC2406209271284, Effective on: 20/06/2024, trained by Taicang Red Cross.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☑ No Please give details: N/A no transport was provided.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☑ No Please give details: N/A There was no living space in the factory.
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?	☑ Yes ☐ No Please give details: The H&S risk assessment was updated through H&S committee on 06/03/2024
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☑ Yes ☐ No Please give details: Fixed pollution source registration form: 91320585MA26A0GX29001Y, validity: 13/07/2024-12/07/2029, Air quality test report, Daily waste water report, Factory boundary noise test: No. SYFJS240698741, 14/06/2024. Remark: This is a light industry (Textile Products) enterprise and it was exempted from the environment registration. Reference Law: List of classified management of environmental impact assessment of construction projects, Article 5: Construction projects not specified in this directory will not be included in the environmental impact assessment management of construction projects, effective on 2021/01/01, issued by Ministry of Ecology and Environment, PRC.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☑ Yes ☐ No Please give details: No violations relating to environmental standards and there was no use of banned or hazardous chemicals in production in the audit.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600573348
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	230 - No material safety data sheet (MSDS) obtained / available
Subcategory	Chemicals
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For chemical, a safety label shall be applied and MSDS be provided for worker.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Verified via facility tour and management interview, auditor found that the facility used Paraffin oil in the auto machine in production workshop at Building 2. However, no MSDS (Material Safety Data Sheet) was provided in the chemical storage area.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.

NC-No SDS posted.jpg

Non-Compliance	Evidence
[Back to findings summary]	

Non-Compliance	
Status	OPEN
Reference	ZAF600573349
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	240 - No / inadequate safety measures / anti-explosion measures for chemicals (e.g. no anti-leaking system / secondary container / unbunded)
Subcategory	Chemicals
New or carried over?	☑ New ☐ Carried Over
Root cause	☑ Training ☐ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Verified via facility tour and management interview, auditor found that chemical such as Paraffin oil (For pasting on the surface of sweeping cloths) were stored in warehouse, but there was no secondary containment to prevent the possible leakage.
Follow up	☐ Follow up audit ☑ Desktop audit

Evidence:

NC-No secondary containment.jpg

method			
Timescale	☐ Immediate	☑ 30 days	☐ 60 days
	☐ 90 days	☐ 120 days	☐ 180 days
	☐ 365 days	☐ Other	
Actions	It is recommended that the facility should set up the corresponding safety facilities and equipments in workshop or warehouse for hazardous chemicals as per legal requirement.		

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The facility established written procedure or instruction to check each employees and candidate age. 2. The factory kept the age evidence such as copies of original ID cards or other evidence that has been produced. 3. The facility management knows how to check for fraudulent documents (ID) . 4. After checking records of hiring and terminations for the previous 12 month period to see, no child labor being sacked in the run-up to the audit. The youngest employee was 29 years old (DOB: 01/03/1995, DOJ: 01/07/2023)
Evidence examined:
1. The procedure of Prohibition of child labor was available for review, the personnel files with ID copy were available for review, the contracts with all the employees were available for audit, and the roster had established by the factory. 2. Management interview 3. Worker interview
Any other comments:
Nil

Legal age of employment:	18
Age of youngest worker found:	29
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☑ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☑ No Please give details: No worker was under 18.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1.The regular wage standard and overtime calculation was defined in labour contract and employee manual. 2.Based on payrolls from June 2023-May 2024, all employees were paid by monthly-rate and the payment exceeded local legal minimum wage. 3.The local minimum wage standard in Taicang, Jiangsu Province is CNY 2,490 per month (equivalent to CNY 14.31 per hour) The actual lowest basic wage in the facility was CNY 2,500.00 per month). 4.Wages are paid on or before 20th of the following month by cash and pay slip is issued for each pay period. 5. No any illegal deduction (e.g. employment broker fees, fines etc.) or withholdings are made from wages. 6. The wages office was well organized with a good controlled set of processes which are understood by all employees. 7. 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. 8. Benefits of paid, annual leave, sick leave, person affairs were given to all workers and child-bearing leave to appropriate workers. 9. The facility paid the workers OT payment per law requirement. (200% for weekend OT) 10. There were total 11 workers (4 in regular employment age and 7 rehiring workers after retirement) in the factory. Verified via the social insurance receipt (Sample month Nov 2023, Feb 2024, May 2024), all 4 employees (in regular employment age) had participated in basic endowment insurance, injury insurance, medical insurance, unemployment insurance and maternity insurance. Remark: All 11 workers (including workers in regular employment age and rehiring workers after retirement) were covered in commercial injury insurance.
Evidence examined:
1. Local legal minimum wage documents: ZRB〔2024〕No. 3 CNY 2,490 per month, (equivalent to CNY 14.31 per hour) 2. Payroll records from June 2023-May 2024 review and 10 of Sampled months [Nov 2023, Feb 2024, May 2024] were selected for calculation. 3. Leaving records (June 2023-May 2024) 4. Social insurance and payment receipts from the local labour department (Nov 2023, Feb 2024, May 2024), Commercial injury insurance receipt (TAIPING PENSION CO.,LTD Contract No:000026185816189 Validity: 05/01/2024—04/01/2025) 5. Labour contracts 6. Resignation and leaving application records 7. Attendance records of June 2023-May 2024 to cross checking wage payment. 8. Production records of June 2023-May 2024 to cross check. 9. Employee interview to verification.
Any other comments:
Nil

Summary Information			
Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 176.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 0.0 Per Week: 8.0 Per Month: 32.0	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: 14.31 Per Week: null Per Month: 2490	Actual Per Day: 14.36 Per Week: 0 Per Month: 2500	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?	☑ Yes ☐ No
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 of each Sampled months (Nov 2023, Feb 2024, May 2024)
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☑ No
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☑ 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?	☐ Below legal min ☐ Meet ☑ Above
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	2,500.00 CNY/month in packing section worker.
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage
Bonus Scheme found: Please specify details:	Bonus Scheme found:Job Position allowance scheme found in the payment system ranging from 1,500-3,500 CNY/month 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 of personal contribution.
Have these deductions been made?	☑ Yes ☐ No
Please list all deductions that have been made.	Social insurance of personal contribution from the worker who is covered in the social insurance.
Please list all deductions that have not been made.	Nil
Were appropriate records available to verify hours of work and wages?	☑ Yes ☐ No
Were any inconsistencies found? (if yes describe nature)	☐ Yes ☑ 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)	☑ Yes ☐ No Please give details: All time would be included, e.g. meeting time, fire drill rehearsal time, etc.
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.	☐ Yes ☑ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ 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).	☑ Yes ☐ No Please give details: There was a HR in the factory that was responsible for the wages, and she reviewed the payroll records once a month, to insure that all the employees were paid correctly
Are workers paid in a timely manner in line with local law?	☑ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☑ Yes ☐ No Please give details: Auditor confirmed during the worker interview all workers get equal wages.
How are workers paid:	☑ Cash ☐ Cheque ☐ Bank Transfer ☐ Other

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. Working time regulation in workers manual (overtime is voluntary, 8 hours/day and 40 hours/day for regular working time. 2. According to the attendance records provided by the factory, it was noted that the factory used finger printing attendance system to record employee attendance. 3. Based on the attendance records and employees interview, all employees worked in one shift per day (Working day: Monday-Friday, 8 hours/day, 40 hours/week) which was from 08:00 to 17:00 with 1.0 hours' rest from 11:30 to 12:30. No OT after the regular working day shift. They usually had OT work on Saturday (OT in rest day, 8:00 to 17:00 with 1.0 hours break) and rest on Sundays and 1 day rest of 7 days are ensured. And workers can reject the OT if they don't want the OT. 4. The maximal overtime hour was 8 hours a rest day, 8 hours a week, and 32 hours a month, the maximum weekly working hours were 48 hours (Reg 40+OT 8). The longest consecutive working day was 6 days.
Evidence examined:
1. Management and Employee interview 2. Local and national laws (Regular and OT working hours regulation) 3. Factory policy on working hours and payment 4. Computerized (finger printing) time logging system 5. Attendance records in last 12 months (June 2023--May 2024) to review and sampled months Nov 2023, Feb 2024, May 2024 for verifying the OT working hours. 6. Production records (in sample month Nov 2023, Feb 2024, May 2024) to cross check.
Any other comments:
Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	Finger printing attendance system to record employee attendance.

Is sample size same as in wages section?	☑ Yes ☐ No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	☑ Yes ☐ No
Are there any other types of contracts/employment agreements used?	☐ Yes ☑ 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.)	☐ Yes ☑ No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☑ 1 in 7 days ☐ 2 in 14 days ☐ No (please explain)
Is this allowed by local law?	☑ Yes ☐ 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)	☐ Yes ☑ 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.)	☐ Yes ☑ No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Day 0 hours/day in Nov 2023 0 hours/day in Feb 2024 0 hours/day in May 2024 Week 8 hours/week in Nov 2023 8 hours/week in Feb 2023 8 hours/week in May 2024 Monthly 32 hours/month in Nov 2023 8 hours/month in Feb 2023 32 hours/month in May 2024
Combined hours (standard or contracted + overtime hours = total) over 60 found?	☐ Yes ☑ No Please give details: Combined hours not exceeded 60 hours/week. the highest was 48 hours/week (Regular40+OT8)

Approximate percentage of total workers on highest overtime hours:	100.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☑ Yes ☐ No ☐ Conflicting Information Please give details: Verified via Worker interview and labor contract, OT is voluntary.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	☑ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium Please give details: All sampled employees were paid 200% of normal wage for overtime on rest day; no overtime worked on regular working day and statutory holiday.
Is overtime paid at a premium?	☑ Yes ☐ No All sampled employees were paid 200% of normal wage for overtime on rest day; no overtime worked on regular working day and statutory holiday.
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.	☑ No ☐ Consolidated pay ☐ Collective Bargaining agreements ☐ Other
Please give details	All sampled employees were paid 200% of normal wage for overtime on rest day; no overtime worked on regular working days and statutory holiday
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)	☐ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week is voluntary ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☑ Other reasons (please specify)
Please give details	N/A The facility didn't worked (Actual week 40 hrs+ OT 8 hrs) for more than 60 hours per week.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A Total regular working hours per week were not more than 48 hours.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☑ No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	☐ Yes ☑ No

7 - No Discrimination is Practiced [Summary of Findings]
7: Compliance Requirements 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. As informed by interviewed workers, most employees spoke highly of the factory owner. 2. No worker was required to do the examination of the hepatitis B virus and HIV. Anti-discrimination procedure on hiring, compensation, promotion and access to training is available during the audit. 3. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work. 4. There was no evidence of sexual harassment.
Evidence examined:
1. The hiring and termination procedure, leave application records and employee handbook 2. Payroll records (June 2023 to May 2024) 3. Attendance records (June 2023 to May 2024) 4. Termination records (June 2023 to May 2024) 5. Training records 6. Employment contracts were provided for review and they showed that male and female employees were on the same pay grade 7. Management interview and employee interview
Any other comments:
Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 60.0% Female: 40.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	There are no women staffs in skilled roles in this facility.
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?	☐ Hiring ☐ Compensation ☐ Access to training ☐ Promotion ☐ Termination or retirement ☑ No evidence of discrimination found
Please give details	Confirmed during the worker interview all workers treated equally.
Professional Development	
What type of training and development are available for workers?	All workers were given H&S training. Females as well as males were trained to become supervisors and managers.
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☑ Yes ☐ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. Per interview with factory management, the factory had no subcontracting or homeworking process. 2. Verifeid via process review and production records review, there was no Subcontracting and homeworking.
Evidence examined:
1. Production records review 2. Factory tour 3. Labor contract review. 4. Recruitment Procedure 5. Management interview 6. 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 ☑ Same as actual conditions	☑ Understood by workers
Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☑ No	
Migrant Workers		

Type of work undertaken by migrant workers:	N/A There were no migrant workers in the facility.
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?	☐ Yes ☑ No Please give details: N/A There were no migrant workers in the facility.
Is there any observation on this finding?	N/A There were no migrant workers in the facility.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☐ Yes ☑ No
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☑ 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 ageny in the recruitment process.
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☑ No
Were sufficient documents for agency workers available for review?	☐ Yes ☑ No
Is there a legal contract agreement with all agencies?	☐ Yes ☑ No Please give details: N/A No ageny in the recruitment process.
Does the site have a system for checking labour standards of agencies?	☐ Yes ☑ No Please give details: N/A No ageny in the recruitment process.
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?	☐ Yes ☑ No Please give details: N/A No any contractors on site.
Do all contractor workers understand their terms of employment?	☐ Yes ☑ No Please give details: N/A No any 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:
1. Per interview with factory management, the factory had no subcontracting or homeworking process. 2. Verifeid via process review and production records review, there was no Subcontracting and homeworking.
Evidence examined:
1. Production records review 2. Factory tour for all processing conducted on site 3. Management interview 4. Worker interview 5. Labor contract
Any other comments:
Nil

Summary of sub–contracting – if applicable	
Is there any sub-contracting at this site?	☐ Yes ☑ No
Summary of homeworking – if applicable	
Is homeworking used at this site?	☐ Yes ☑ No

9 - No Harsh or Inhumane Treatment is Allowed [Summary of Findings]
9: Compliance Requirements 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 9.2 companies should provide access to a confidential grievance mechanism for all workers

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. 2. The facility setup the confidential grievance mechanism for all workers and provided the chanel for such grievance.
Evidence examined:
1. The relevant policy on prevention of harassment and abuse 2. Internal grievance procedure documentation 3. Training records (Recent: 18/04/2024) 4. Grievance record in last 12 months. 5. Worker interview confirmed that workers were aware of the disciplinary procedure in Workers' Manual.
Any other comments:
Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	☑ Yes ☐ No Please give details: E-mail address and telephone number of local labour bureau was posted in the public notice board and it was used as the reporting grievance to a third party for any complaint from the employer. There was also suggestion box, and an inter confidential email address for reporting grievances.
If yes, are workers aware of these channels and have access? Please give details.	All workers are aware of these processes.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism,comment box etc. Please give details.	Reporting to supervisor directly or complaining to the worker committee.
Which of the following groups is there a grievance mechanism in place for?	☐ Worker ☐ Communities ☐ Suppliers ☑ Other
Please provide grievance mechanism details	Workers could make suggestion via workers committee.
Are there any open disputes?	☐ Yes ☑ 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)	☑ Yes ☐ No Please give details:
Is there a published and transparent disciplinary procedure?	☑ Yes ☐ No Please give details:
If yes, are workers aware of these the disciplinary procedure?	☑ Yes ☐ No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	☐ Yes ☑ No Please give details:

10A - Entitlement to Work and Immigration [Summary of Findings]
10A: Compliance Requirements 10.A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. Per document review, factory management representation and worker interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region. The youngest age was 29 years old (DOB:01/03/1995). All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes.
Evidence examined:
1. Recreuiting procedure 2. Personnel files 3. Worker manual
Any other comments:
Nil

10B4 - Environment 4–Pillar [Summary of Findings]
10B4: Compliance Requirements 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details). 10.B4.7 Businesses shall make continuous improvements in their environmental performance. 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10.B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance. 10B4: Guidance for Observations 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations. Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. The facility sets up the environmental procedures to ensure the ETI 4-pillar requirement. The factory had established an environmental policy, covering its environmental impact, which was communicated to all appropriate parties, including its own suppliers. 2. Facility are aware of their environmental impact. 3. The facility records the waste generated in the production and no hazardous waste was generated in the process. 4. The facility appointed the senior manager (Mr. Shen Feng/Factory Director) as the responsible staff for coordinating the site's efforts to improve environmental performance. 5. Stationary pollution source registration on public website. 6. The facility is a small size light industry corporation and it is exempted from the environment registration. 7. There were not any fines/prosecutions for non-compliance to environmental regulations identified. 8. Workers were trained on environmental protection. 9. The facility monitored the Environmental factor detection, Amount of waste, electricity and water consumption.
Evidence examined:

1. Environmental policy and procedures 2. Fixed pollution source registration form: 91320585MA26A0GX29001Y, validity: 13/07/2024-12/07/2029, Air quality test report, Daily waste water report, Factory boundary noise test: No. SYFJS240698741, 14/06/2024 3. Management interview, appointment letter of individual responsible for co-ordinating the site's efforts to improve environmental performance. 4. Worker interview 5. Site tour 6. Energy bills 7. Water bill 8. Production waste collected and treatment records.
Any other comments:
This is a light industry (Textile Products) enterprise and it was exempted from the environment registration: List of classified management of environmental impact assessment of construction projects, Article 5: Construction projects not specified in this directory will not be included in the environmental impact assessment management of construction projects, effective on 2021/01/01, issued by Ministry of Ecology and Environment, PRC.

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Shen Feng/Factory Director
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The site has conducted a risk assessment (02/01/2024) on the environmental impact of the site including implementation of controls to reduce identified risks.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	☐ Yes ☑ No Please give details: The site has no recognised environmental system certification.
Does the site have an Environmental policy?	☑ Yes ☐ No
If yes, is it publicly available?	☑ Yes ☐ No
If yes, does it address the key impacts from their operations and their commitment to improvement?	☑ Yes ☐ No Please give details: The key impacts are air emissions, noise emissions from auto machines. And the site had set the rated energy conservation and emission reduction policy.
Does the site have a Biodiversity policy?	☐ Yes ☑ No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	☐ Yes ☑ No Please give details: Nil. The facility had no sustainability systems certificate such as FSC, MSC etc.

Have all legally required permits been shown?	☑ Yes ☐ No Please give details: Fixed pollution source registration form: 91320585MA26A0GX29001Y, validity: 13/07/2024-12/07/2029 (Remark: This is a light industry (Textile Products) enterprise and it was exempted from the environment registration: List of classified management of environmental impact assessment of construction projects, Article 5: Construction projects not specified in this directory will not be included in the environmental impact assessment management of construction projects, effective on 2021/01/01, issued by Ministry of Ecology and Environment, PRC). Air quality test report, Daily waste water report, Factory boundary noise test: No. SYFJS240698741, 14/06/2024
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☐ Yes ☐ No ☑ Not Applicable Please give details: There was no hazardous chemicals used in the manufacturing process. (only paraffin oil used in the auto machine)
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☑ Yes ☐ No Please give details: This was included in the facility's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	☑ Yes ☐ No Please give details: Reduction targets were established to reduce costs
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☑ Yes ☐ No Please give details: Weights of recycled wastes were recorded for continuous improvement targets.
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	☑ Yes ☐ No Please give details: The facility measured to reduce costs and monitored the consumption of key utilities of water, energy and natural resources.
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	☐ Yes ☑ No Please give details: Not applicable. As No such sub-contracting agencies operating in the premises.

Usage/discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	75150	22540
Renewable Energy Usage: Kw/hrs	0	0

Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	local water authority	local water authority
Water Volume Used	2800	1000
Water Discharged	municipal sewage	municipal sewage
Water Volume Discharged	2800	1000
Water Volume Recycled	0	0
Total waste produced	1750 kgs	563 kgs
Total hazardous waste produced	0	0
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	1750 kgs	563 kgs
Total Product Produced	40,000,000 pcs	26,000,000 pcs

10C - Business Ethics – 4-Pillar Audit [Summary of Findings]
10C: Compliance Requirements 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice. 10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices. 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements. 10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice, 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics 10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area. 10C: Guidance for Observations 10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. 10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

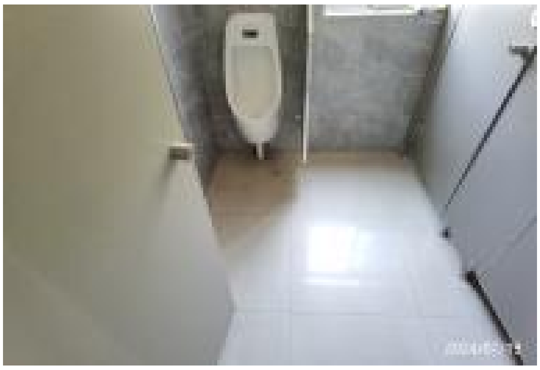
Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1.Mr. Shen Feng/Factory Director was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery. 2.The company established a business ethics policy which was communicated to workers through posters and training. 3.The site had received and read the Business Ethics policy of the auditor/audit company. 4.There is an internal Whistleblowing procedure on site.
Evidence examined:
1.The facility appointed the senior manager (Mr. Shen Feng/Factory Director) as the responsible staff for Business ethical issue. 2.Anti bribery procedure, Employee Privacy Protection Procedure (including Whistleblowing procedure) 3.Regular ethical training (Most recent: 16/04/2024)
Any other comments:
Nil

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☑ Internal Policy ☑ Policy for third parties including suppliers Please give details: Anti bribery procedure, Employee Privacy Protection Procedure (including Whistleblowing procedure), Supplier management procedure

Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☑ Yes ☐ No Please give details: Regular ethical training (Most recent: 16/04/2024)
Is the policy updated on a regular (as needed) basis?	☐ Yes ☑ No Please give details: Business ethics was not updated on a regular basis.
Does the site require third parties including suppliers to complete their own business ethics training	☐ Yes ☑ No Please give details: The facility management stated that it had not required their suppliers/third parties to complete their own business ethics training.

Attachments

 1. Factory plate.jpg	 2. Business license.jpg
 3. 2F office building.jpg	 4. 1F production building.jpg
 5. Displayed sample.jpg	 6. Office.jpg

 7. Eating room.jpg	 8. Sanitary.jpg
 9. Washing facility.jpg	 10. Suggestion box.jpg
 11. Electrical panel with cover.jpg	 12. Finger print attendance machine.jpg

 13. Workers dressing room.jpg	 14. Emergency light.jpg
 15. Evacuation plan.jpg	 16. Air Shower Room.jpg
 17. ETI coc.jpg	 18. Safety regulation displayed.jpg

 19. Fire extinguisher.jpg	 20. Fire hose.jpg
 21. Inspection log.jpg	 22. Raw material feeding.jpg
 23. Auto line.jpg	 24. Evacuation line and arrow.jpg

 25. Packing.jpg	 26. PPE mask and earplug.jpg
 27. Cartoning.jpg	 28. Warehouse.jpg
 29. Fire alarm.jpg	 30. Area Risk distribution map.jpg

 31. man power trailer.jpg	 32. Emergency exit.jpg
 33. First aid kit.jpg	 34. Fixed Position Toolbox.jpg
 35. Area cleaner storage.jpg	 36. Assembly point.jpg

 37. Drinking water.jpg	 NC-No SDS posted.jpg
 NC-No secondary containment.jpg	Signed ZAA600077028 CAPR.pdf

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