



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000032596	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000038172	
Business name (Company name):	Fanchang County JingDian Clothing Co Ltd			
Site name:	Fanchang County JingDian Clothing Co Ltd			
Site address:	East District, Garment Industrial Park, Suncun Town, Fanchang County, 241206 Wuhu, Anhui Sheng, China Suncun Town Wuhu City 241206 CN	Country:	CN	
Site contact and job title:	Zhou Caiqing / Factory manager			
Site phone:	13865538725	Site e-mail:	1079316110@qq.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2024-06-11			

Audit Company Name:
LRQA

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

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents
2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,**4-Pillar SMETA**
 - 2-Pillar requirements plus
 - Additional Pillar assessment of Environment
 - Additional Pillar assessment of Business Ethics
 - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Cathy Wei	APSCA Number:	21702065
Additional Auditors:			
Date of declaration:	2024-06-11		

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:	Zhou Caiqing
Title:	Factory manager
Date of declaration:	2024-06-11
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - ZAF600511395 NC - ZAF600511396
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid	5.1	§3	1	0	0	NC - ZAF600511397
6 - Working hours are not excessive	6.1	§4	1	0	0	NC - ZAF600511398
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 Regulation for Safety of Dangerous Chemical article 20, entities that produce, store, and use the dangerous chemical should install related safety facilities in workshop or warehouse for monitor, ventilation, sun proof, air-condition, fire prevention, firefighting, explosive prevention, pressure release, gas defense, antiseptis, counteract, anti-moisture, lighting proof, anti-static, anti-leakage, safeguard, and isolation. According to the national laws and requirements of dangerous chemical material, the above facilities and equipment should be kept and maintained safely.
§2	In accordance with Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7, electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.

§3	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.
§4	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Site Details

Site Details			
Company Name	Fanchang County JingDian Clothing Co Ltd		
Site Name	Fanchang County JingDian Clothing Co Ltd		
GPS location (if available)	GPS Address:	East District, Garment Industrial Park, Suncun Town, Fanchang County, Wuhu City, Anhui Province	
	Coordinates:	N31°7'56" E118°33'46"	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business License Number: 91340222MA2U1WQG74 Valid date: Aug 23, 2019 to long term		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Printed fabrics manufacture		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The facility was located in East District, Garment Industrial Park, Suncun Town, Fanchang County, Wuhu City, Anhui Province, China. The factory was established on Aug 23, 2019. Factory rented one block of 1-storey production building. A total of 11 employees were currently working at the factory, which included 8 production workers and 3 non-production staffs. There were 6 male employees and 5 female employees. The ethnic background of all management and production workers was mainland Chinese and 2 out of 8 production workers were local citizens and the rest 6 were migrant from other provinces. All workers were recruited directly by the factory. All workers had one shift, 8:00-11:30 and 12:30-17:00. They would work for 2 hours' overtime in weekdays and 8 hours on Saturday and took rest on Sundays. They worked from Monday to Saturday and rested on Sundays.</p>		
Structure and number of buildings	Building Name:		Production building
	Floor	Description	Remark
	1	Raw materials warehouse, printing section and finished goods warehouse	Nil
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No structural integrity issue was observed.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory provided building construction certificate for review.		

Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor
Months of peak season	
Process overview	Printing
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None
Please give details:	2 worker representatives were elected by workers freely.
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No accommodation building was provided by the factory.

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

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

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	1	0	0	4	0	0	0	5
Worker numbers - female	1	0	0	2	0	0	0	3
Total	2	0	0	6	0	0	0	8
Number of Workers interviewed - male	1	0	0	4	0	0	0	5
Number of Workers interviewed - female	1	0	0	2	0	0	0	3
Total - interviewed sample size	2	0	0	6	0	0	0	8

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

Worker Interview Summary	
Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	2
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No worker complained about anything.
What did the workers like the most about working at this site?	The working condition and wages were acceptable.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Workers expressed that they wanted to work extra, to earn more money.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

All 8 workers (5 male and 3 female) were selected for interviews. 6 workers were interviewed individually in private area of workshop and the rest 2 workers were interviewed in a group in the workshop office room without interference from the management. In general, most workers seemed cautious when talking with LRQA staff, and provided consistent answers to most questions. All interviewed workers expressed their positive attitude to management and the workplace. They all claimed to be satisfied with the wages and working condition in this factory.

Attitude of worker's committee/union reps:

One interviewed worker representative said the factory management was very nice to workers and paid more attention to deal with workers' suggestion or complain. The worker representative showed that the factory management was kind, and the workplace was comfortable. No negative information.

Attitude of managers:

The management showed a cooperative attitude during audit. They agreed auditor to conduct whole audit including workplace observation and confidential interviews with workers without any influence. And they were willing to take corrective action for the findings identified during the audit.

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

0A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all appropriate parties, including its suppliers.
2. There was a designated person responsible for implementing standards concerning human rights.
3. Based on management interview and document review, the factory conduct assessment to its suppliers on social accountability periodically.
4. The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

Evidence examined:

1. Client's code of conduct at the factory.
2. Documents review.
3. Management interview

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established policy statement that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy statements that expresses commitment to respect human rights are included in workers' manuals.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Zhou Caiqing/factory manager

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees' private information and personal files were managed by HR department properly.
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 1.0%
	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 1.0%
	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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No accident occurred in past 12 months based on injury record.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0%
	This year 0.0%

Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

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

OB: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

1. There was a designated person responsible for compliance with ETI Code.
2. The factory communicated ETI Code to all employees and their own suppliers.
3. The factory established procedures on social accountability, conducted internal audit on its social accountability and management system review periodically.

Evidence examined:

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

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such fine or prosecutions were identified.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies exist for Forced labour, Health and Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence found.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established related policy and provided training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided training courses regarding relevant items to management and workers through induction training and regular training.

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided training to management and workers. The related records were provided for review.</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No HR department is available with a management staff responsible for it.</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Zhou Caiqing/factory manager</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was a policy to ensure all workers information be confidential.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was an effective procedure to ensure all workers information be confidential.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established such process to address issues.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established policy which required its suppliers to implement relevant labour standards.</p>
Land Rights	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided all required land rights license and permissions for review during audit.</p>

<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>During management interview, the factory was aware of the requirement of local law regards to Land Rights.</p>
<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory established relative system and procedures specific to land rights.</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No negative evidence was observed onsite.</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No negative evidence was observed onsite.</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A. No negative evidence was observed onsite.</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- The factory had established effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- Workers obtained their job by friend's recommendation or by the factory recruitment.
- Workers did not require lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that workers were free to leave the workplace after their working hours.
- No forced, bonded, or involuntary prison labour was identified during the audit.

Evidence examined:

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

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no any restriction 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A

<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>There is no any restriction on workers' freedom to leave the site at the end of the work day.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>Based on document review and management interview, the factory understood the risks of forced / trafficked / bonded labour in its supply chain.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>The factory had established the effective employment policies. No restrictions on movement of the employees in the factory. In addition, employees could be freely resignation after communication with management in advance 30 days notification.</p>

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

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on document review, management, and worker interview, one worker representative was freely elected by workers in the factory, meetings between management and worker representative were conducted regularly. The meeting records were provided for review.
- Worker representative was not discriminated against and had access to carry out its representative functions in the workplace.
- Through workers interview, workers could rise their opinion through worker representative or communicate with their supervisor directly.

Evidence examined:

- The policy on freedom of association
- Interview with workers and management
- Interview with worker representative
- Worker representative elected records

Any other comments:

Nil

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

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Adequate facilities were provided to worker representative to conduct related business.
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Two worker representatives were freely elected by workers.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All interviewed workers were aware of their representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-01-24
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting was conducted regularly, and the latest one was conducted on May 15, 2024. The latest meeting topics covered safety& health and welfare issues.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

3: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- 1. General Health and Safety management
 - There is a designated staff responsible for site Health & Safety.
 - Potable water was available in all areas.
 - Enough clean toilets segregated by gender were available for workers.
 - Ventilation, temperature, and lighting were suitable for workers.
- 2. Fire Safety
 - There were at least 2 exits for each working area and warehouse.
 - Fire-fighting equipment was adequate and checked once per month.
 - Evacuation plans were posted at each factory workshop.
 - Fire drills were organized and conducted twice per year, and the latest one was on May 22, 2024.
- 3. Electrical safety
 - Electrical equipment was maintained in good condition.
- 4. Medical services
 - There were adequate first aid kits in each production area, and they were well stocked.
 - First aider was available.

Evidence examined:

- Health and safety policy and manual
- Health and safety committee
- Fire equipment maintenance records
- Training records
- Building structure safety certificate and fire safety certificate
- Fire drill records
- Accident records
- Interview with factory management and workers

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:

Relative safety policies and procedures were established and communicated to workers.

Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers' manual covered the EHS policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any structural addition.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditor was informed on H&S notice and provided with personal protective equipment where necessary.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required by local law, while first aid kit was available in each workshop.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Qualified first aiders were available.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. The factory did not provide transport for workers.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No dormitory was provided for workers. No personal storage space provided.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: EHS risk assessments were conducted regularly with actions implementation.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided all legal required environmental permission and certificates for review.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory met customer's requirements on environmental protection.

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600511395	
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?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Regulation for Safety of Dangerous Chemical article 20, entities that produce, store, and use the dangerous chemical should install related safety facilities in workshop or warehouse for monitor, ventilation, sun proof, air-condition, fire prevention, firefighting, explosive prevention, pressure release, gas defense, antiseptis, counteract, anti-moisture, lighting proof, anti-static, anti-leakage, safeguard, and isolation. According to the national laws and requirements of dangerous chemical material, the above facilities and equipment should be kept and maintained safely.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that factory did not have anti-leakage facilities for its printing ink stored in workshop and warehouse. 在此次审核过程中，审核员发现工厂在储存印刷油墨的车间及库房没有设置防渗漏设施。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> <input type="checkbox"/>	
		
	NC-printing ink missed anti-leakage facility.JPG	

	365 days	Other	
Actions	It is recommended that factory should provide proper chemical safety training to workers, conduct regular chemical safety inspection, and install anti-leakage facilities in workshop and warehouse for its dangerous chemical material used.		

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600511396	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7, electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that no warning sign was marked on 2 sampled switch boxes in printing workshop of the factory. 在此次审核中，审核员发现工厂印花车间抽样的2个电箱未张贴警示标识。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should provide proper electrical training to workers, conduct regular electrical safety inspection, ensure that all electricity devices and circuit in the factory are marked with avoid electric shock warning signs.	
		 NC-electric box missed warning sign.JPG

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

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory established a policy on worker's recruitment that workers must present their original ID card to proof their ages while recruiting, workers' original copies of ID card would be kept in their personnel file once they have joined. And the policy stated that the factory never employed or used any child labour under the age of 16 years old.
 - The factory established policy to protect young workers which stated given a regular health check and would be registered with the local labour office, also did not arrange young workers to hazardous post.
 - No child labour or juvenile workers was working at the factory currently.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16-18 are young workers.

Evidence examined:

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

Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	29
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No worker under 18 in the factory.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The local legal minimum wage was RMB 1930 per month since Mar 1, 2023. The minimum wage paid by the factory to workers was higher than local legal minimum wage.
- All workers were paid by hourly rate.
- All workers' overtime wages were paid 150%, 200% and 300% of the normal wage rate for overtime on weekdays, weekends, and statutory holidays respectively.
- Workers were paid on the 30th of the following month by bank transfer.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the details of their wages for the pay period concerned each time that they were paid.
- The factory provided social insurance for only 3 out of 7 eligible employees.
- During this assessment, the factory provided 12 months' payrolls for review.

Evidence examined:

- Payroll records of last 12 months
- Attendance records from May 1, 2023 to the audit day
- Local legal minimum wage documents
- Wages and benefits policy
- Labour contracts for all employees
- Leave records and resignation records
- Payslips of all interviewed workers
- Workers and management interview

Any other comments:


Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: null	Actual Per Day: 8.0 Per Week: 40.0 Per Month: null	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: 1.0 Per Week: 14.0 Per Month: 66.0	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: 88.74 Per Week: null Per Month: 1930	Actual Per Day: 114.94 Per Week: null 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: null Per Week: null Per Month: null	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	8 samples from Apr 2024 (Current) 8 samples from Dec 2023 (Random) 8 samples from Aug 2023 (Random)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB 2500/month		
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: High temperature allowance Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and personal income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	Nil		
Please list all deductions that have not been made.	Social insurance and personal income tax		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Provided records reflect all time worked.</p>
<p>Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage</p> <p><input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK</p> <p><input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation</p> <p><input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: There was an annual review in case local wage rates changed.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Through factory rules review, payroll records review and employees' interview, it was confirmed that equal rates are being paid for equal work.</p>
<p>How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque</p> <p><input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600511397	
Clause	5 - Living Wages are Paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.	 <p><u>NC-insufficient social insurance coverage.JPG</u></p>
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	It was noted that among 11 employees in the factory, 4 of them was retired, and the rest 7 employees were eligible to receive five types of social insurance in May 2024 according to the law. However, through review of social insurance enrollment list and payroll records, only 3 employees were enrolled in social insurance. Factory bought commercial accident insurance for 8 employees, valid until May 9, 2025. 在此次审核中，审核员发现，工厂共有11名员工，其中4名员工已退休，其余7名员工符合五项社保的参保条件，但查阅社保参保名单和缴费记录发现，2024年5月只有3名员工参加了社会保险。工厂给8名员工购买了商业意外险，有效期至2025年5月9日。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	

Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.</p>	

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

6: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- There were written policies established on working hours and which were communicated to workers during recruitment process, while the factory also provided employees manual to workers.
- The working time of workers were recorded by electronic attendance machine.
- Per time records and worker interview, the normal working hour were 8 hours per day and 40 hours per week.
- The factory provided sample workers' attendance records for review.
- A sampling of these provided records for the months of Apr 2024 (current month), Dec 2023 (random month) and Aug 2023 (random month) were reviewed.
- Based on provided time attendance records in the three sample months, workers' working hours were up to 9 hours per day, 54 hours per week, and overtime of 66 hours per month.
- All workers had at least one day off per seven days. The most continuous working days were 6 days.
- Through employees' interview, overtime was voluntary.

Evidence examined:

- Employee interview
- Management interview
- Attendance records provide
- Factory policy on working hours
- Sample pay slips

Any other comments:

Nil

Working hours' analysis

Systems & Processes

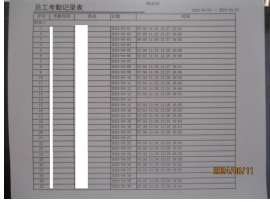
What timekeeping systems are used? Fingerprint attendance system

Is sample size same as in wages section? Yes No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	1 hour/day, 14 hours/week, 57 hours/month in Apr 2024 (current month); 1 hour/day, 14 hours/week, 66 hours/month in Dec 2023 (random month); 1 hour/day, 14 hours/week, 59 hours/month in Aug 2023 (random month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Maximum combined hours was 54 hours per week.
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Confirmed by worker interview, overtime is voluntary.
Overtime premium	

<p>Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p> <p>Please give details: 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime 300% of normal wage rate for statutory holiday overtime</p>
<p>Is overtime paid at a premium?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100% of workers were paid for overtime wages as local law together with normal wages, on a month basis.</p>
<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input checked="" type="checkbox"/> Other</p>
<p>Please give details</p>	<p>NA. Overtime wage was paid per legal requirements (150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime 300% of normal wage rate for statutory holiday overtime).</p>
<p>If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<p><input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>NA. Maximum combined hours was 54 hours per week.</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600511398	
Clause	6 - Working Hours are not Excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	It was noted that the monthly overtime of 8 out of 8 workers exceeded 36 hours in Apr 2024 (current month) with the max of 57 hours. The monthly overtime of 8 out of 8 workers exceeded 36 hours in Dec 2023 (random month) with the max of 66 hours. The monthly overtime of 8 out of 8 workers exceeded 36 hours in Aug 2023 (random month) with the max of 59 hours. 在此次审核中，审核员发现在2024年4月（当前月），8名工人中有8名的月加班时间超过36小时，最高达到57小时；在2023年12月(随机月)，8名工人中有8名的月加班时间超过36小时，最高达到66小时；在2023年8月(随机月)，8名工人中有8名的月加班时间超过36小时，最高达到59小时。	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days	
		 <u>NC-excessive monthly overtime.JPG</u>

	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.	

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:

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

Evidence examined:

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

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	1	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No negative evidence of discrimination was identified during audit.	
Professional Development		
What type of training and development are available for workers?	New employees' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- All employees were recruited by the factory directly.
- No labour agency was used to hire workers.
- No temporary worker, apprenticeship schemes or home worker was identified during audit.
- All interviewed workers had received a signed labour contract.
- Workers' personal files were provided for review.

Evidence examined:

- The hiring and termination procedure
- Personal files
- Payroll records were provided for review
- Labour contracts

Any other comments:

Nil

Responsible Recruitment

All Workers

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

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

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:	Printing position
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No any reduction.
Is there any observation on this finding?	Nil
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 6 migrant workers were in skilled roles and there was one migrant management staff.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A. No agency was used by the factory.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No agency was used by the factory.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No agency was used by the factory.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No contractor was used by the factory.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A. No contractor worker was used by the factory.

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:

- According to management interview and workers interview, there was no home-working activities, and such information was further confirmed by onsite tour.
- Based on onsite observation and management interview, no process was subcontracted to other factory.

Evidence examined:

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

Any other comments:

Nil

Summary of sub-contracting – if applicable

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

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

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

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

10A: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- Based on document review, management and workers interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region.
- Recruitment procedures and employment procedures, the factory had established recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No agency staff or foreign worker was used by the factory.
- The factory collected related laws on entitlement to work and immigration.

Evidence examined:

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

Any other comments:

Nil

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

10B2: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers' interview, they were trained on environmental protection.
- The factory had procedure on environment protection.
- All legal required environmental permission and certificates were provided for review.

Evidence examined:

1. Worker and management interview
2. Onsite observation
3. Document review

Any other comments:

Nil

Attachments



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