



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000014394	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000015835	
Business name (Company name):	Guangzhou April Leather Co Ltd			
Site name:	Guangzhou April Leather Co Ltd			
Site address:	Room 701/ No 43, 1 Street Jinshi, Shiling town, huadu district, Guangzhou City 510850 China 广州市花都区狮岭镇金狮一街43号701 Guangzhou 510850 CN	Country:	CN	
Site contact and job title:	Mr. Hong Leiming / General Manager			
Site phone:	18826605051	Site e-mail:	YM7283@FOXMAIL.COM	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-10-26			

Audit Company Name:
BCI Compliance Group Limited

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:	Kate Chen	APSCA Number:	21704094
Additional Auditors:			
Date of declaration:	2023-10-27		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

Site Representation	
Full Name:	Mr. Hong Leiming
Title:	General Manager
Date of declaration:	2023-10-27
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
Nil	

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§1 §2	2	0	0	NC - 77d2d353-e66b-490f-afce-7b3ec5922ae9 NC - b35ac15a-9e17-4f85-b34f-2530c687229b
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>	5.1	§3	1	0	0	NC - aa12dca9-b1b5-462d-9311-c8ba621db2ce
<u>6 - Working hours are not excessive</u>	6.1	§4	1	0	0	NC - 1bf31ca0-d225-4882-84c7-3c0266b94b67
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.

§2	In accordance with Regulation for Safety of Dangerous Chemical 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 equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxic ants, neutralization, moisture proof, protection against thunder, protection against static, antiseptic, 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 equipment.
§3	In accordance with Article 73 of the Labour Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity . The survivors of the insured labourers shall be entitled to subsidies for survivors in accordance with the law . The conditions and standards for labourers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations . The social insurance amount that labourers and entitled to, must be timely paid in full amount.
§4	In accordance with Article 41 of the Labour Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.



## Site Details

Site Details			
Company Name	Guangzhou April Leather Co Ltd		
Site Name	Guangzhou April Leather Co Ltd		
GPS location (if available)	GPS Address:	Room 701/ No 43, 1 Street Jinshi, Shiling town, huadu district, Guangzhou City 510850 China 广州市花都区狮岭镇金狮一街43号701	
	Coordinates:	Latitude N: 23.469263 Longitude E: 113.151569	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 91440114MABWAFAC35 Valid from August 3, 2022 to Long time		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Handbag		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Guangzhou April Leather Co Ltd is located in Room 701/ No 43, 1 Street Jinshi, Shiling town, huadu district, Guangzhou City 510850 China. The site was established on August 3, 2022 and has been operating at current site since then. The site produces Handbag. It consists the 7th floor of one 8-storey building was used for office, production and warehouse. The construction area of the factory was around 850 square meters. There was a total of 21 employees currently working in factory, which includes 13 common employees and 8 management and administration staff. All the employees are recruited by the factory directly. There were no temporary workers or agency workers were found in the factory.		
Structure and number of buildings	Building Name:		Building No. 1
	Floor	Description	Remark
	Floor 1-6	other factories	Year of establishment: 2005
	Floor 7	handwork, sewing, inspection, packing, warehouse and office	Year of establishment: 2005
	Floor 8	other factory	Year of establishment: 2005
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  Based on onsite observation, the structure of factory buildings was safe and integrated, and no crack was found during the audit.		

Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has provided Construction Building Safety Check Report for review.
Site function	<div> <input type="checkbox"/> Agent           <input checked="" type="checkbox"/> Factory Processing/Manufacturer         </div> <div> <input type="checkbox"/> Finished Product Supplier           <input type="checkbox"/> Grower         </div> <div> <input type="checkbox"/> Homeworker           <input type="checkbox"/> Labour Provider         </div> <div> <input type="checkbox"/> Pack house           <input type="checkbox"/> Primary Producer         </div> <div> <input type="checkbox"/> Service Provider           <input type="checkbox"/> Sub-contractor         </div>
Months of peak season	
Process overview	The factory was producing Handbag. The main production processes were listed as below: handwork, sewing, inspection and Packing. The main production equipment was sewing machines and button machine.
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee
Please give details:	Guangzhou April Leather Co Ltd worker committee with worker representatives e.g. Ms. Zhang.
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No dormitory was provided for workers.



Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	08:30	In	09:00
	Out	16:30	Out	13:20
Audit type:	FULL_INITIAL			
Was the audit announced?	ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	Mr. Hong Leiming / General Manager			
Is further information available	No			

Audit attendance	Management	Worker Representatives	
		Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	There was no trade union established in the factory.		
<i>Reason for absence during the audit</i>	There was no trade union established in the factory.		
<i>Reason for absence at the closing meeting</i>	There was no trade union 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	7	0	0	0	8
Total	2	0	0	11	0	0	0	13
Number of Workers interviewed – male	1	0	0	3	0	0	0	4
Number of Workers interviewed – female	1	0	0	5	0	0	0	6
Total – interviewed sample size	2	0	0	8	0	0	0	10

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

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1 group, 4 workers/group, total 4 workers
Number of individual interviews:	Male: 2 Female: 4
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No special complaint from the interviewed workers.
What did the workers like the most about working at this site?	All workers said they were satisfied with manner of factory management.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	All interviewed workers said they accepted the current working hours.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

## Attitude of workers:

Confidential private interview was conducted with 10 workers (4 male workers and 6 female workers) from various sections in a private room. In general, sampled worker's attitude to the factory and management was favourable. Information gathered from sampled workers was mostly consistent with the documents and production records collected from the factory. No complaint was raised during worker interview.

## Attitude of worker's committee/union reps:

The worker committee representative was favourable. No complaint was raised during interview.

## Attitude of managers:

The factory management was well co-operative during the audit and demonstrated a willingness to improve all issues found in the audit. Access to production area, document review and private workers interview are fully provided.

**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 established policy related to human right.  
2.The factory communicated the policy to all employees by training, and sent the requirement of the policy to its suppliers and obtained commitment from suppliers for complying with the policy.  
3.The factory had assigned a management person to be responsible for implementing standards concerning Human rights, identified its stakeholders and salient issues, and measured their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.  
4.All interviewees confirmed that they could report any issues related human right to the workers representatives, or boss directly, also, the workers may report to suggestion box, named or anonymous, no reprisals happened.

**Evidence examined:**

-Records created by the factory  
-Management interview and workers interview  
-Complaint& handling record.

**Any other comments:**

Nil

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Factory promises to respect human rights in non-discriminatory, safe work, freedom of Association, equal work, not treated harshly or humanely, the right to education and development, protect own physical and mental health, obtain the necessary food, clothing and lodging rights, gain the security of life, prohibits the use of child labour and forced labour rights, the right to gain minimum wage / minimum living wage, and get the right to rest and leisure.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

General Health & Safety and occupational Health & Safety policies and procedures were included in worker's manual.



Audit company:	Report reference:	Start Date:	End Date:	Sedexglobal.com 16
BCI Compliance Group Limited	ZAA600031701	2023-10-26	2023-10-27	

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.The factory had established management system to manage the social accountability issues in the factory.  
2.Based on talking with factory management, they were familiar with local laws. However, they did not update the scope of the business license.  
3.Mr. Hong / General Manager was responsible for compliance with the local laws and Codes.

**Evidence examined:**

- A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.  
- Management interview and workers interview confirmed that the factory provided training on social compliance policy and detailed requirement to them.

**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: Through internet check, no such case was found.
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 and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Based on document review and worker interviews, the factory had established relevant procedures about reducing the risk of forced labour, child labour, discrimination, harassment Etc. and provided relevant training for workers.
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: Managers and workers have received training in the standards for forced labour, child labour, and discrimination etc.

If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training materials, training records with attendees' signatures were provided, and management and workers interviewees confirmed that they received the training for the policy/procedures.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such recognized system certification was provided by the factory.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Factory organization chart was provided, Human Resources department was available, and the department header reported to general manager.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Hong, General Manager was responsible for implementation of the code.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The privacy procedures for workers' information were provided.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The privacy procedures for workers' information were provided.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment records for policy and procedure were provided.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Corrective action was implemented and verified, and records were provided.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had established suppliers' management procedure, and communicated the policy to all suppliers.
Land Rights	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided relevant license and permission for review.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had one system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such written policy was provided by the factory.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was identified.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was identified.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was identified.

## 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 rules and policies showed that employees could be freely resignation after communication with management in advance 30 days. No deposit would be required.
2. There was a non-formalised application procedure which states that workers must present their ID's for proof of age but only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook was 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.

### Evidence examined:

- Based on interview with the management and workers, employees could be freely resignation after communication with management in advance. They did not require lodging their identity papers to the factory. And no deposit was required during the requirement.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no forced, bonded or involuntary prison labour identified.
- Personnel files (all were checked)
- Resignation records
- Factory rules
- Employee handbook

### 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 are no any restrictions on it.

<p>If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>No such conditions.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>Employees can leave the site at the end of the work day freely.</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>Factory forbade its supply chain involving in any activity of forced / trafficked / bonded labour.</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>Factory would terminate corporation with its supply chain if any forced / trafficked / bond labour issue noted.</p>



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

### [Summary of Findings]

#### 2: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

1. Based on documents review, it was identified that worker representatives were elected by workers freely.
2. The procedure and management claimed the worker representatives communicated with factory management quarterly. Few of relevant records were kept by the factory.
3. There was no trade union established in the factory.
4. All interviewees confirmed that they could raise their complaints to the workers representatives, suggestion box or boss directly.

#### Evidence examined:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China. There was no trade union in the factory.
- Complaint & handling record.
- Freedom of Association policies.
- Meeting minutes of the workers committee meeting.
- Selection program and 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:	Guangzhou April Leather Co Ltd worker committee
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 committee; Another communication channel: 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: Factory provided adequate facilities to worker representatives to have meeting.
Name of union and union representative, if applicable:	No trade union was established in the factory.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker representatives Workers could raise their complaint to the worker representatives, suggestion box or reflect to boss directly.
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: Based on worker interviews, workers knew their representatives, e.g. Ms. Zhang
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-06-07
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The meeting records were kept by the factory. According to the latest records, the meeting was held on September 4, 2023, the employee representative reported it will cool down in the next few days and hope factory could provide post notices to remind employees to keep warm. The factory management adopted the opinion and made improvement.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

#### 3: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

##### 1. General Health and Safety management

- Mr. Hong /General Management representative was responsible for issue of Health & Safety in the factory.
- Minutes of meetings show that there were monthly meetings between H&S committee and H&S manager.
- Ventilation, temperature and lighting were adequate for the production processes.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- The factory provided potable water to workers free of charge in workshop.

##### 2. Fire Safety

- Evacuation plans were posted in workshop and understood by all interviewed workers.
- Sufficient fire-fighting equipment such as fire extinguishers, fire alarm and hydrants in production building. Regular inspection was taken by the factory per month.
- There were at least two exits in each workshop.
- Fire drill was conducted twice in the past one year and all records were kept.

##### 3. Electrical safety

- Electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- Hire a qualified electrician and the qualification certificates were provided for review.

##### 4. Medical services

- The first aid kits were placed in each workshop.
- There were 2 trained first aid workers at the factory and they provide their qualifications for review.

##### 5. Chemical Safety

- Most Chemicals were stored in anti-leakage facility. MSDS (Material Safety Data Sheet) for chemicals was provided at chemicals storage area.
- Eye washing facility was available in the workshop.
- Workers concerned the chemical use confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

#### Evidence examined:

- Health and safety policy
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Building structure safety certificate
- Accident reports
- Onsite tour
- Interviews with H&S manager/HS committee member

#### Any other comments:

Nil




Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: General Health & Safety and occupational Health & Safety policies and procedures were provided, and training records were kept by the factory.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: General Health & Safety and occupational Health & Safety policies and procedures were included in worker's manual.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence was identified.
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 and provided with mask and earplug before entering the workshops.
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: China Law has no requirement on it.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There was no doctor or nurse on site, however, there were 2 trained first aiders available, and the information for first aider was posted on site.
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: Factory did not provide transport.
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: No dormitory was provided for workers.
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: H&S Risk assessments are conducted and there are controls to reduce identified risk.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory obtained all legally required permits on environment.

Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?

☒ Yes ☐ No


Please give details:

The factory met with customer's requirement on environment standard, and no banned chemicals was used.

Non-Compliance		Evidence																															
<a href="#">[Back to findings summary]</a>																																	
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>77d2d353-e66b-490f-afce-7b3ec5922ae9</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)</td></tr><tr><td>Subcategory</td><td>Machinery</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.</td></tr><tr><td>ETI code</td><td>3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</td></tr><tr><td>Explanation to the non compliance</td><td>It was noted that 4 out of 4 sewing machines without lower and upper pulley guards and needle guards in sewing process. 1 out of 1 button machines without pulley guard in handwork process. 在此次审核过程中，审核员发现4台缝纫机都没有皮带保护罩和针保护。手工部一台打扣机没有皮带保护罩。</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>It was recommended that the belt pulley guards and needle guards should be affixed with the sewing</td></tr></table>			Non-Compliance		Status	OPEN	Reference	77d2d353-e66b-490f-afce-7b3ec5922ae9	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	Subcategory	Machinery	New or carried over?	<input 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 Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.	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 4 out of 4 sewing machines without lower and upper pulley guards and needle guards in sewing process. 1 out of 1 button machines without pulley guard in handwork process. 在此次审核过程中，审核员发现4台缝纫机都没有皮带保护罩和针保护。手工部一台打扣机没有皮带保护罩。	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 was recommended that the belt pulley guards and needle guards should be affixed with the sewing	<div><p>without pulley guard on sewing machine.JPG</p></div> <div><p>without pulley guard on button machine.JPG</p></div> <div><p>without needle guard.JPG</p></div>
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Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Status	OPEN	
Reference	b35ac15a-9e17-4f85-b34f-2530c687229b	
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 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 Regulation for Safety of Dangerous Chemical 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 equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxic ants, neutralization, moisture proof, protection against thunder, protection against static, antiseptis, 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 equipment.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Through factory tour and management interview, it was noted that two barrels of glue were found without the secondary containers in the handwork process. 手工部有两桶胶水没有配备二次容器。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
		
<u>without secondary container.JPG</u>		

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 was recommended that the factory should ensure the second containers were provided for the chemical used in workshops. 工厂应确保所有车间使用的化学品都配备有二次容器。	

#### 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 factory had established policy and procedure on prohibiting child labour.

2.Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages.

3.Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour was identified in the factory. The youngest worker was 24 years old.

##### Evidence examined:

-Recruitment policies.

-Employees' personal files/ Employment registration/roster.

##### Any other comments:

Nil

Legal age of employment:	16
Age of youngest worker found:	24
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No young worker was used 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:

1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.
2. The factory kept and provided payrolls from October 2022 to September 2023 for review during the audit. All workers were paid by hourly rate, and the legal minimum wage was RMB2300 per month (RMB13.22 per hour). All employees were paid at least RMB2314 per month (RMB13.3 per hour). Also, the factory paid workers at a legal mandated rate for their overtime hours, 150% and 200% of regular pay for overtime work on working day and rest days, and no OT was arranged on statutory holidays.
3. Based on factory rules review, if the factory rules were broken, relevant workers would be warned, fired and trained.
4. Paid annual leave, marriage & funeral leave and maternity leave were provided for workers.
5. There is a total of 21 employees in the factory. As per payment receipts for the month of September 2023, 3 employees were provided with pension, unemployment, medical, maternity and injury insurance.
6. Based on workers interview, they were paid by hourly rate, and the wages were paid by cash on or before 15th of next month.

### Evidence examined:

- Attendance records: October 1, 2022 to October 26, 2023
- Payrolls records: October 2022 to September 2023
- Leave records
- Social insurance and payment receipts from the local labour department
- Labour contracts for all employees (to examine agreed wage rates)
- Resignation records
- Payslips of all workers interviewed

### 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: 2.0 Per Week: 16.0 Per Month: 68.0	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: 105.76 Per Week: 528.8 Per Month: 2300.0	Actual Per Day: 106.4 Per Week: 532.0 Per Month: 2314.0	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: 39.9 Per Week: 412.3 Per Month: 1409.8	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 employees' records from most current month of September 2023 10 employees' records from April 2023 (random month) 10 employees' records from December 2022 (random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	RMB13.3/hour, RMB2314/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: RMB 900-2500 per month for job 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 income tax		
Have these deductions been made?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Please list all deductions that have been made.	None		
Please list all deductions that have not been made.	Social insurance and income tax		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

Non-Compliance		Evidence																								
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	供的社会保险缴费收据，21名员工(18名应参加社保和3名退休返聘员工)中只有3人获得了养老，失业、医疗、生育和工伤保险。备注：工厂为全厂员工提供了商业意外保险。有效期:2023年7月22日至2024年7月21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	It is recommended that the factory should provide social insurance for all employees as per legal requirements. 建议工厂依法给所有员工缴纳社会保险。		

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

### 6: Compliance Requirements

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

## Current Systems and Evidence Examined

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

### Current Systems:

- 1.The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
- 2.The working time of workers was recorded by Finger scanning attendance system, and the factory provided the working hour records from October 1, 2022 to October 26, 2023 for review during the audit.
- 3.Based on the workers' interview and working hour records provided by the factory, it was noted that workers had 0 - 2 overtime hours at night per day, occasionally 8 hours on Saturdays sometimes. So, it was noted the maximum overtime was 2.0 hours per day, 68 hours per month, and the total working hours ranged from 54 ~ 56 hours per week.
- 4.Based on the working time records from October 1, 2022 to October 26, 2023 and workers interview, workers had at least one day off in every 7 days.

### Evidence examined:

- Working time records: October 1, 2022 to October 26, 2023
- Payrolls records: October 2022 to September 2023
- Factory policy on working hours
- Worker contracts
- Quality and production records to cross check hours

### Any other comments:

Nil

## Working hours' analysis

### Systems & Processes

What timekeeping systems are used? Finger scanning attendance system

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

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
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
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 10 out of 10 samples from September 2023 (current month): Daily: 2 hours / day Weekly: 16 hours / week Monthly: 50 hours / month  10 out of 10 samples from April 2023: Daily: 2 hours / day Weekly: 16 hours / week Monthly: 60 hours / month  10 out of 10 samples from December 2022: Daily: 2 hours / day Weekly: 16 hours / week Monthly: 68 hours / month
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: The maximum weekly working hour was 56.
Approximate percentage of total workers on highest overtime hours:	90.0%

Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information  Please give details: Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements.
<b>Overtime premium</b>	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A - there is no legal requirement to OT premium  Please give details: 150% and 200% of normal wage for overtime on normal day and rest days; No overtime arranged on holidays.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 100%, monthly
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements  <input checked="" type="checkbox"/> Other
Please give details	N/A. The factory paid the overtime as legal requirement.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	N/A. The maximum weekly working hour was 56.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Remark: The factory didn't obtain the Comprehensive Working Hours System Approval. 根据厂方提供的工时记录，审核员选取的10名抽样员工加班时间超出了法定标准。随机抽取的10名员工2022年12月、2023年4月和2023年9月的记录进行查看，发现具体为：2022年12月的加班时间最多为68小时，2023年4月的加班时间最多为60小时，2023年9月的加班时间最多为50小时超过每月加班时间不能超过36小时的法律规定。备注：工厂未获得综合计时批文。</td></tr></table>			Non-Compliance		Status	OPEN	Reference	1bf31ca0-d225-4882-84c7-3c0266b94b67	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 checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with Article 41 of the Labour Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.	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Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保员工的加班时间符合法律要求。	

## 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. Workers have access to and familiarize with procedures for filing complaints about discrimination.
2. The workers interviewed did not feedback any cases of discrimination.
3. There was no evidence of sexual harassment.
4. The factory had established policy and procedure on prohibiting discrimination. No evidence of discrimination was found in factory policies, rules, procedures and operation records.

#### Evidence examined:

- Payrolls
- Attendance records
- Termination records
- Training records
- Workers interview

#### Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%		Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2 inspectors		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring  <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation  <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training  <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	N/A		
Professional Development			
What type of training and development are available for workers?	Position training, safety training, human right training.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		



## 8 - Regular Employment Is Provided [Summary of Findings]

### 8: Compliance Requirements

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

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

#### Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

## Current Systems and Evidence Examined

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

### Current Systems:

1. Based on labour contracts review, the factory had signed labour contract with all workers.
2. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements.
3. No subcontractor was used by factory.

### Evidence examined:

- Employee Manual,
- Hiring and termination procedure
- Labour contract
- Personal files
- Payroll records

### 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:	There were no migrants from different countries, most workers were migrants from different provinces of China, and migrants workers were from non-Guangdong province, such as Hunan, Guangxi and Sichuan province etc. The migrant workers work at the handwork, sewing, inspection and Packing. They could access any post in the factory based on their working experience, ability and aspiration.
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: No such evidence.
Is there any observation on this finding?	N/A, No such evidence.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>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.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A
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
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
<b>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.)</b>	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

<p>Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>N/A</p>
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### 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:

As per the facility management documents review worker interview and factory tour there was no subcontractor (except the services positions) used by facility currently, and if the client's product need subcontractor, they would inform the client. Therefore, no apparent issue was detected regarding this section.

#### Evidence examined:

1. Production record was provided for review and there was no sign of sub-contracting or homeworking.
2. Facility tour
3. Management interview and employee interview

#### Any other comments:

Nil

### Summary of sub-contracting – if applicable

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

### Summary of homeworking – if applicable

Is homeworking used at this site? ☐ Yes ☒ No

**9 - No Harsh or Inhumane Treatment is Allowed**  
**[Summary of Findings]**

**9: Compliance Requirements**

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

9.2 companies should provide access to a confidential grievance mechanism for all workers

**Current Systems and Evidence Examined**

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

**Current Systems:**

- According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory.  
According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.  
- No evidence of harsh or inhumane treatment was found in factory rules.

**Evidence examined:**

- Factory regulations, hiring procedures and anti-harassment training records were checked.  
- Management interview and employee interview  
- The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

**Any other comments:**

Nil

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Through hot line such as Labor bureau official.
If yes, are workers aware of these channels and have access? Please give details.	Based on interview with workers, they understood how to use the channel if necessary.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	As per interview, workers would use hotline and website to report to 3rd party if any.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	If the workers have any question or need help, they can through the suggestion box or talking direct to their manager.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:

Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

**10A: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- All employees are Chinese. As per the provided labour contracts, all employees were hired directly by the facility, no temporary labour was found in the facility.

**Evidence examined:**

- Labour contract.
- Personnel files.
- Hiring procedure.
- Worker handbook.

**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 had established environmental management system, and provided the environmental policy, procedure and documentation (such as environmental certificates, reports, and policy, goals and control records) for reviewing during the audit.
2. The facility obtained the environmental certificates and reports, e.g., Environmental Impact Assessment report form/EIA approval/Environmental Protection Acceptance Check Report /Pollutant discharge registration form/ Boundary Monitoring report for air, waste water, and noise/Testing report for air, noise in workshop.
3. The facility appointed a management level person as environmental representative to handle environmental related matters and coordinate the facility's efforts to improve environmental performance.
4. Key environmental impact factors were identified out and controlled in the facility.
5. The factory has registered with the environmental management department for pollutant discharge.
6. Based on interviews with the facility management and environment representative, it was confirmed that they were clearly aware of legal requirement and their end clients' environmental requirements. And they were clearly aware of its significant environmental impact and processes and stated their pollutants such as noise.
7. Environmental pollution emergency plan was established in the facility. The facility provided the training regarding the environmental protection policy, emergency drill to the employees regularly (i.e. upon recruitment and annually), and provided the environmental protection policy to its suppliers and asked the suppliers to read it carefully and sign the commitment agreement of complying with the facility' environmental protection policy and the national environmental laws.
8. The facility established a system to monitor its' performance against these environmental requirements. The facility's environmental representative collected the latest environmental and chemical requirements from the authorities both the end clients located countries and the facility located country (i.e. China) and from the end clients regularly through communicating with end clients or internet, then provided the trainings to both management staff and non-management employees and implemented the updated & strictest environmental and chemical standards in the facility. The facility had the internal audit team and the internal audit team conducted regular internal inspections and audits against the updated & strictest environmental and chemical requirements and standards, if any violation about environment or chemical was found, the internal audit team would analyse the root cause, take corrective and preventive actions accordingly.
9. The facility measured and monitored its environmental impact factors including monthly recording and quarterly reviews of use and discharge of natural resources, e.g. energy and water, and a matrix report was kept on file.
10. The facility made continuous improvements in their environmental performance.
11. Through viewing the local government websites and interviews with facility management, it was confirmed that the facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

**Evidence examined:**

1. All legally required environmental documents were provided for review. Such as environmental protection policy, environmental pollution emergency plan, Environmental Impact Assessment Report form/EIA approval/Environmental Protection Acceptance Check Report/Pollutant discharge registration form/ Boundary Monitoring report for air, waste water, and noise/Testing report for air, noise in workshop/Matrix report on energy usage, environment training record were provided for review.
2. Energy bills
3. Water bill
4. Site tour
5. Management interview and employees' interview

**Any other comments:**

Nil

**Environmental Analysis**

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

Mr. Hong, General Manager



Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk assessment report on the environment impact was provided for review.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such certification was identified.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The identification report for key impacts was provided for review, and factory had addressed the key impacts.
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The facility did not have other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC).
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility had provided Environmental Impact Assessment Report form/EIA approval/Environmental Protection Acceptance Check Report/Pollutant discharge registration form for review.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The factory has established the related process to handle the hazardous waste.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This was included in the facility's internal management system.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established reduction targets in environmental management system manual, including water consumption and discharge, energy saving. No serious environmental pollution case. Waste discharge and noise in compliance with EIA requirement: 100%.

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory did calculate waste recycling and monitored waste volume at a regular basis.	
Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory established environmental management system, thus, the consumptions of key utilities of water, energy and natural resources were monitored and recorded.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Factory conducted annually onsite assessment for its suppliers to check if they had the appropriate permits and licences and are conducting business in line with environmental expectations of the facility.	
Usage/Discharge analysis		
Criteria	Previous year: 2022	Current year: 2023
Electricity Usage: Kw/hrs	110000	123000
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	810	920
Water Discharged	Municipal Waste Water Treatment Plant	Municipal Waste Water Treatment Plant
Water Volume Discharged	810	920
Water Volume Recycled	0	0
Total waste produced	2 tons	3.5 tons
Total hazardous waste produced	0.2 tons	0.3 tons
Waste to recycling	0.8 tons	1.5 tons
Waste to landfill	0	0
Waste to other	1 ton	1.7 tons
Total Product Produced	250000 pcs	25000 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. The factory established a Business Ethics policy concerning bribery, corruption and unethical Business Practice.
2. The factory established a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics.
3. General Manager, Mr. Hong was designated to be responsible for implementing standards concerning Business Ethics. Individual interviewed was conduct with the employees who were focusing specially on Business Ethics section.
4. No negative evidence was identified during the audit.

#### Evidence examined:

1. Document review (such as policy, training record etc.)
2. Management interview
3. Workers interview

#### Any other comments:

Nil

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

- ☒ Internal Policy
- ☒ Policy for third parties including suppliers

Please give details:

The factory established a business ethic policy and communicates it with its employees and supply chain.

Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had a business ethic policy, which was communicated with employees and implemented internally, externally.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the management interview, the factory had updated the business ethic policy, regularly.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the management interview and document review, the factory required third parties, including suppliers to complete their own business ethics training.

## Attachments



8. 2023ENZAA600031701 - BCI-CSR-23-453 - 广州肆月皮具有限公司 Guangzhou April Leather Co., Ltd - 4P capr.pdf



BCI-CSR-23-453 - 广州肆月皮具有限公司 Guangzhou April Leather Co., Ltd - 4P Photo Form.pdf



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