SMETA

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC419392964	Sedex Site Reference: *(only available on Sedex System)*	ZS419422753
Business name (Company name):	Suzhou Taihu Snow Silk Co Ltd		
Site name:	Suzhou Taihu Snow Silk Co Ltd		
Site address:	中国江苏省苏州市吴江区 震泽镇318国道2428号 苏州 215200 CN	Country:	CN
Site contact and job title:	沈玲俊 / 副总经理助理		
Site phone:	13306256753	Site e-mail:	zhuqi@taihuxue.com

SMETA Audit Pillars:	☑ Labour Standards	☑ Health and Safety (plus Environment 2-Pillar)	☐ Environment 4-pillar	☐ Business Ethics
Date of Audit:	2024-05-17			

Audit Company Name:
SGS_China

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Auditor Team			
Lead Auditor:	Kaze Jin	APSCA Number:	32200887
Additional Auditors:	Bobo Wang		32400075
Date of declaration:	2024-05-17		

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:	沈玲俊
Title:	副总经理助理
Date of declaration:	2024-05-17
Comments: *Any exceptions to this must be recorded here (e.g. different sample size):* *Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).* *The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives*	

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non–Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	1	GE - 22c155b5-b9f1-434e-a108-1ac6450613e3
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1	§1 §2	2	0	0	NC - ZAF600469860 NC - 980a53e4-f8cb-4b17-9cfa-29e2485d9a7f
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	1	GE - 5c651fe9-fbad-4e95-8949-549375f9c4de
6 - Working hours are not excessive	6.1	§3	1	0	0	NC - ZAF600469859
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2–pillar			0	0	0	
10B4 - Environment 4–pillar			0	0	0	
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) 6.1 Movable parts 6.1.1 Movable parts accessible to personnel shall be closed or isolated as far as possible. 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation. 6.1.3 Reliable limit device shall be provided for production equipment or parts that may exceed the limit position during operation.

§2	General Code for Maintenance and Renovation of Existing Buildings GB55022-2021 3.1.2 In the process of daily use and maintenance, Regular daily inspections should be carried out on the use environment, damage and operation of existing buildings, and the inspection cycle should not be less than once a year. 3.1.4 The existing building shall be evaluated according to the inspection results after the inspection, and shall be tested and identified in the following cases: 1 Find defects, deformation and damage that endanger the safety of use; 2 to reach the design working life to continue to use; 3. Before rectification and modification; 4 Before changing the use or use environment; 5 is greatly affected by natural disasters, man-made disasters, environmental changes or accidents; The safety, usability and efficiency of the equipment system do not meet the relevant regulations and requirements; 7 The change of use function leads to the improvement of seismic fortification categories of buildings. 4.1.1 Existing buildings shall be periodically repaired in accordance with the house repair plan and the results of house inspection and assessment. When an emergency occurs that endangers the use of the house and personal and property safety, emergency repair shall be carried out immediately.
§3	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Site Details

Site Details		
Company Name	Suzhou Taihu Snow Silk Co Ltd	
Site Name	Suzhou Taihu Snow Silk Co Ltd	
GPS location (if available)	GPS Address:	GPS Address: No. 2428, Ditang Road, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province, China
	Coordinates:	Latitude: N 30°55′35″ Longitude: E 120°30′26″
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Business license: 9132050078836153X2 Validity of Operation: From May 18, 2006 to Long-term	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Silk Bedding	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Suzhou Taihu Snow Silk Co Ltd was established on May 18, 2006.Actual address: No. 2428, Ditang Road, Zhenze Town, Wujiang District, Suzhou City, Jiangsu Province, China Business license address: North Side of 318 National Road, Jin Xing Village, Zhenze Town Based on the management interview, the management stated that above two addresses were same location, the management stated that local government revised the road name and number to current name and number around 2021, thus, just the business license address was not detailed enough.One shift for all workers: From 08:00 to 17:00 (1 hour for meal and rest) There were 278 employees (Including of 84 management) in the factory. Based on the management interview and document review, the factory has owned current land and buildings. Main buildings: One four-storey building as its production and warehouse One three-storey building as its office and guest rooms One two-storey building as its warehouse One two-storey building as its canteen and warehouse.	

Structure and number of buildings	**Building Name:**	Building No. 1	
	Floor	**Description**	**Remark**
	Floor 1	Production	Built in 2009
	Floor 2	Production	Built in 2009
	Floor 3	Production	Built in 2009
	Floor 4	Warehouse	Built in 2009
	Building Name:	Building No. 2	
	Floor	**Description**	**Remark**
	Floor 1	Office	Built in 1995
	Floor 2	Office	Built in 1995
	Floor 3	Office,guest rooms	Built in 1995
	Building Name:	Building No. 3	
	Floor	**Description**	**Remark**
	Floor 1	Warehouse	Built in 1995
	Floor 2	Warehouse	Built in 1995
	Building Name:	Building No. 4	
	Floor	**Description**	**Remark**
	Floor 1	Warehouse	Built in 1995
	Floor 1	Canteen	Built in 1995
Visible structural integrity issues (large cracks) observed?	☑ Yes ☐ No Please give details: The on-site audit found that there was a penetrating crack in the wall (non-load-bearing wall) of the connection between the factory warehouse and the production workshop.		
Does the site have a structural engineer evaluation?	☑ Yes ☐ No Please give details: Based on the document review, the factory provided building acceptance certificate, record, etc. for review during the audit.		
Site function	☐ Agent ☐ Finished Product Supplier ☐ Homeworker ☐ Pack house ☐ Service Provider	☑ Factory Processing/Manufacturer ☐ Grower ☐ Labour Provider ☐ Primary Producer ☐ Sub-contractor	
Months of peak season	January to December		
Process overview	No obvious peak season		
What form of worker representation is there on site?	☐ Union ☐ Other	☑ Worker Committee ☐ None	
Please give details:	two worker representatives		

Is there any night production work at the site?	☐ Yes ☑ No
Are there any on site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Are there any off site provided worker accommodation buildings	☐ Yes ☑ No Please give details:
Were all site provided accommodation buildings included in this audit	☐ Yes ☑ No Please give details: The factory did not provide dormitory.

Audit Parameters			
Time in and time out	Day 1		
	In	08:40	
	Out	16:40	
Audit type:	PERIODIC		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	沈玲俊 / 副总经理助理		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	There was no union in the factory.		
Reason for absence during the audit	There was no union in the factory.		
Reason for absence at the closing meeting	There was no union 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	23	0	0	13	0	0	0	36
Worker numbers – female	69	0	0	89	0	0	0	158
Total	92	0	0	102	0	0	0	194
Number of Workers interviewed – male	1	0	0	4	0	0	0	5
Number of Workers interviewed – female	8	0	0	13	0	0	0	21
Total – interviewed sample size	9	0	0	17	0	0	0	26

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

Worker Interview Summary	
Were workers aware of the audit?	☑ Yes ☐ No
Were workers aware of the code?	☑ Yes ☐ No
Number of group interviews:	4 groups of 5 (20 employees)
Number of individual interviews:	Male: 1 Female: 5
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	☑ Yes ☐ No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☑ Yes ☐ No
In general, what was the attitude of the workers towards their workplace?	☑ Favorable ☐ Non-favourable ☐ Indifferent
What was the most common worker complaint?	No worker complained anything.
What did the workers like the most about working at this site?	The working condition and the wages were acceptable.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Workers expressed that they wanted to work extra, to earn more money.
Is there any worker survey information available?	☐ Yes ☑ No Please give details:

Attitude of workers:
26 employees were randomly selected for interview. Employees were guaranteed that their employer would not know the identity of the interviewees. Sampled employees were from different departments. All interviews were conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed. The interviewees showed a cooperative attitude and effective evidence were collected during the employee's interview. Most of them were satisfied with working conditions and benefits in the audited factory. No special complaint was found.
Attitude of worker's committee/union reps:
The factory has established Worker Committee. Based on the Worker Committee representative interview, Worker Committee representative stated that all employees enjoyed the harmonious relationship in the factory. All interviews were conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed.
Attitude of managers:
The factory agreed auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. The factory allowed auditors to take relevant pictures. The management showed cooperative attitude to the audit and provided relevant documents for review. Zhu Qi / Procurement Director was assigned to be responsible for the audit and social compliance system.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
The factory had a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it was communicated to all appropriate parties, including its suppliers. Zhu Qi / Procurement Director was a designated person who responsible for implementing standards concerning Human rights. The factory had a transparent system in place for confidentially reporting, and dealing with human rights impact without fear of reprisals towards the reporter.
Evidence examined:
Code of conduct at the factory. Management interview
Any other comments:
Nil

Policy statement that expresses commitment to respect human rights?	☑ Yes ☐ No Please give details: The factory has established the policy which stated that expresses commitment to respect human rights.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: Based on document review, the policy was included in workers' manual.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	☑ Yes ☐ No Please give details: Name: Zhu Qi Job title: Procurement Director

Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	☑ Yes ☐ No Please give details: The factory had a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☑ Yes ☐ No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☑ Yes ☐ No Please give details: The factory had established the related policy, which was communicated with workers effectively, and all workers' information was kept and locked in office.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 5.0% This year 6.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	6.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 6.0% This year 7.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	6.0%
Are accidents recorded?	☑ Yes ☐ No Please give details: Based on the document review, no injury case was happened in the factory during last 12 months.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0.0% This year 0.0%

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

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
The factory has appointed Zhu Qi / Procurement Director to be responsible for compliance with ETI Base Code. The factory has communicated ETI Code to all workers and their own suppliers. Based on management interview and document review, the factory has established procedures on social accountability. Based on the document review, the factory has obtained ISO45001 certificate which issued by TIRT. Certificate No.: 04822S40423R1M Expiry Date: December 25, 2025 Based on the document review, the factory has obtained ISO14001 certificate which issued by TIRT. Certificate No.: 04822E40483R1M Expiry Date: December 25, 2025
Evidence examined:
Social responsibility policy and procedure Management system Worker interview and management interview
Any other comments:
Nil

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☑ No Please give details: No such fine or prosecutions were identified in the last 12 months.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: Policies exist for Forced labour, Health and Safety, Working Hours, No harsh treatment, Environment and Business Ethics. No negative evidence was found.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory has established related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☑ Yes ☐ No Please give details: The factory provided relevant training to management and workers.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☑ Yes ☐ No Please give details: The factory provided relevant training to management and workers. Relevant training records were provided for review.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	☑ Yes ☐ No Please give details: Based on the document review, the factory has obtained ISO45001 certificate which issued by TIRT. Certificate No.: 04822S40423R1M Expiry Date: December 25, 2025 Based on the document review, the factory has obtained ISO14001 certificate which issued by TIRT. Certificate No.: 04822E40483R1M Expiry Date: December 25, 2025
Is there a Human Resources manager/department?	☑ Yes ☐ No Song Xuefei / HR
Is there a senior person /manager responsible for implementation of the code?	☑ Yes ☐ No Please give details: Zhu Qi / Procurement Director
Is there a policy to ensure all worker information is confidential?	☑ Yes ☐ No Please give details: Policy was established in employee manual.
Is there an effective procedure to ensure confidential information is kept confidential?	☑ Yes ☐ No Please give details: Policy was established in employee manual.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	☑ Yes ☐ No Please give details: Risk assessment was conducted to evaluate policy and procedure effectiveness.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☑ Yes ☐ No Please give details: The factory has established relevant process to address issues.
Does the facility have a policy/code which require labour standards of its own suppliers?	☑ Yes ☐ No Please give details: The factory required supplier for policy or code implementation.
Land Rights	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☑ Yes ☐ No Please give details: Based on the management interview, the management stated that they have owned current land and buildings. Based on the document review, the factory provided property ownership certificate, etc. for review during the audit.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	☑ Yes ☐ No Please give details: Based on the management interview, the management stated that they have owned current land and buildings. Based on the document review, the factory provided property ownership certificate, etc. for review during the audit.
Does the site have a written policy and procedures specific to land rights?	☑ Yes ☐ No Please give details: Based on the document review, the factory provided relevant documents for review.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	☐ Yes ☑ No Please give details: Not applicable. The factory had provided business license to prove the land using is legal.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☑ No Please give details: Not applicable.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	☐ Yes ☑ No Please give details: No negative evidence was identified.

Good Example	Evidence

[Back to findings summary]

Good Example	
Status	OPEN
Reference	22c155b5-b9f1-434e-a108-1ac6450613e3
Clause	0B - Management Systems and code Implementation
Issue Title	35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)
Subcategory	Site's licenses & Certifications
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	Based on the document review, the factory has obtained ISO45001 certificate which issued by TIRT. Certificate No.: 04822S40423R1M Expiry Date: December 25, 2025 Based on the document review, the factory has obtained ISO14001 certificate which issued by TIRT. Certificate No.: 04822E40483R1M Expiry Date: December 25, 2025 基于文件审阅，工厂获得了TIRT发布的ISO45001证书。 证书号：04822S40423R1M 有效期：2025年12月25日 基于文件审阅，工厂获得了TIRT发布的ISO14001证书。 证书号：04822E40483R1M 有效期：2025年12月25日
Evidence	Document review 文件审阅

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

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
The factory had established effective employment policies & program. Workers could be freely resignation after communication with management in advance 30 days notification. The workers obtained their job by friend's recommendation or by the factory recruitment. Workers were not required lodging deposits or their Identity papers to the factory at the beginning of employment. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours. No forced, bonded or involuntary prison labour was identified during the audit.
Evidence examined:
Factory rules Employee handbook Personnel files Resignation records Contracts Management and worker interview
Any other comments:
Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	☐ Yes ☑ No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☑ No Please give details: Based on workers interview and the employee manual review, workers could terminate employment freely.
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	☐ Yes ☐ No ☑ Not Applicable Please give details: NA

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☑ No Please give details: Based on workers interview and onsite observation, no restrictions on workers' freedoms to leave the site.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☑ Yes ☐ No ☐ Not Applicable Please give details: No forced/ trafficked / bonded labour was identified in its supply chain.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☑ Yes ☐ No Please give details: The factory has established the effective employment policies. No restrictions on movement of the workers in the factory.In addition, workers could be freely resignation after communication with management in advance 30 days notification.

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union–the All-China Federation of Trade Unions (ACFTU). Consequently, 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. Based on document review, the factory has established Workers Committee and meeting between management and Workers Committee representatives was conducted regularly. The meeting records were provided for review. Through workers interview, workers could raise their opinion through Workers Committee representatives or communicate with their supervisor, etc.
Evidence examined:
• The policy on freedom of association • Interview with workers and management • Interview with worker representative • Election and meeting minutes
Any other comments:
Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	☐ Union ☑ Worker Committee ☐ Other ☐ None
Other details:	two worker representatives
Is it a legal requirement to have a union?	☐ Yes ☑ No
Is it a legal requirement to have a worker's committee?	☐ Yes ☑ No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	☑ Yes ☐ No Please give details: Hotline, short message, suggestion box, etc.
Is there evidence of free elections?	☑ Yes ☐ No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☑ Yes ☐ No Please give details: Adequate facilities and support were provided to Workers Committee representatives.
Name of union and union representative, if applicable:	NA. No union was founded in factory.
Is there evidence of free elections?	☐ Yes ☐ No ☑ Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Workers Committee of Suzhou Taihu Snow Silk Co Ltd
Is there evidence of free elections?	☑ Yes ☐ No ☐ Not Applicable
Are all workers aware of who their representatives are?	☑ Yes ☐ No Please give details: All sampled workers were stated that they aware of their representatives.
Were worker representatives freely elected?	☑ Yes ☐ No
Date of last election:	2024-03-01
Do workers know what topics can be raised with their representatives?	☑ Yes ☐ No
Were worker representatives/union representatives interviewed?	☑ Yes ☐ No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	The worker representative conducted meeting regularly with managements. The meeting topic was about safety and toilet environment etc, related meeting records were provided for review. The last meeting was conducted on Mar 8, 2024.
Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☑ No

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
1. General health and safety management Qian Lifang / Factory Director was appointed as Health & Safety responsible for the site. Potable water was freely available in all areas. Sufficient clean toilets segregated by gender were available at all times to workers. Ventilation, temperature and lighting were adequate for the production processes. Based on the management interview and workers interview, the factory did not provide dormitory. 2. Fire safety There were at least two exits in each work area. Fire-fighting facilities were adequate and checked once per month. Fire drills were organized and recorded. 3. Electrical safety The electrical equipment was maintained well. 4. Medical services There were adequate first aid kits in production area, and it was well stocked and well maintained. Qualified first aiders were in the factory. 5. Chemical safety Based on the onsite observation and document review, relevant procedure, MSDS, etc. were provided for review during the audit. 6. Certificate Based on the document review, the factory has obtained ISO45001 certificate which issued by TIRT. Certificate No.: 04822S40423R1M Expiry Date: December 25, 2025
Evidence examined:
Health and safety policy Fire drill records Accident records Interview with factory management and workers Onsite observation
Any other comments:
Nil

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☑ Yes ☐ No Please give details: Qian Lifang / Factory Director was responsible for issue of Health & Safety in the factory. Relative safety policies and procedures were established and communicated to workers.
Are the policies included in workers' manuals?	☑ Yes ☐ No Please give details: Employees' manual covered the EHS policies.
Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☑ No Please give details: Nil
Are visitors to the site informed on H&S and provided with personal protective equipment?	☑ Yes ☐ No Please give details: Auditor was informed on H&S notice when conducted audit. The factory provided relevant PPE for auditor during the audit.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	☐ Yes ☑ No Please give details: No local law requirement, while first aid kits were provided for workers in production and office areas.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	☑ Yes ☐ No Please give details: Confirmed by document review, there was one first aider in the factory.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☐ Yes ☑ No Please give details: NA. The factory did not provide worker transport.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☑ No Please give details: NA. The factory did not provide worker dormitory.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	☑ Yes ☐ No Please give details: EHS risk assessments were conducted regularly with actions implementation.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☑ Yes ☐ No Please give details: Based on documents review, it was acceptable.

Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☑ Yes ☐ No Please give details: No banned chemicals were used in the factory.

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	CLOSED
Reference	ZAF600469860
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?	☐ New ☑ Carried Over
Raised by audit	ZAA423941859
Resolved by audit	ZAA600065322
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	General Rules of Design on Health and Safety of Production Facility (GB 5083-1999) 6.1 Movable parts 6.1.1 Movable parts accessible to personnel shall be closed or isolated as far as possible. 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation. 6.1.3 Reliable limit device shall be provided for production equipment or parts that may exceed the limit position during operation.
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	1/Based on the onsite observation, about 20% sewing machines which located at sewing workshop were no needle guard, about 10% needle guards of sewing machines which located at sewing workshop were out of function (Installed too high).
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days

	☐ 365 days ☐ Other
Actions	The factory should install finger guards for all sewing machines.工厂应在所有缝纫机上安装护指环。
Additional comments	我们已经调整好护指器的高度，并且所有机器已经安装，并安排班组长每天巡视检查，在检查表上明确防护用品的佩戴 The finding has been closed by the new audit.

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	980a53e4-f8cb-4b17-9cfa-29e2485d9a7f
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	249 - Structural irregularities observed that should be evaluated by an expert to determine structural integrity
Subcategory	Building/Site Maintenance
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	General Code for Maintenance and Renovation of Existing Buildings GB55022-2021 3.1.2 In the process of daily use and maintenance, Regular daily inspections should be carried out on the use environment, damage and operation of existing buildings, and the inspection cycle should not be less than once a year. 3.1.4 The existing building shall be evaluated according to the inspection results after the inspection, and shall be tested and identified in the following cases: 1 Find defects, deformation and damage that endanger the safety of use; 2 to reach the design working life to continue to use; 3. Before rectification and modification; 4 Before changing the use or use environment; 5 is greatly affected by natural disasters, man-made disasters, environmental changes or accidents; The safety, usability and efficiency of the equipment system do not meet the relevant regulations and requirements; 7 The change of use function leads to the improvement of seismic fortification categories of buildings. 4.1.1 Existing buildings shall be periodically repaired in accordance with the house repair plan and the results of house inspection and assessment. When an emergency occurs that endangers the use of the house and personal and property safety, emergency repair shall be carried out immediately.
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	The on-site audit found that there was a penetrating crack in the wall (non-load-bearing wall) of the connection between the factory warehouse and the production workshop. 现场审核发现，工厂仓库与生产车间连接处墙体（非承重墙）发现有一处穿透性裂缝。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The factory shall carry out repairs in accordance with the requirements of General Code for Maintenance and Renovation of Existing Buildings GB55022-2021 4.1.1.工厂应依据《既有建筑维护与改造通用规范》GB55022-2021 4.1.1要求进行修缮。

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
The factory has established a policy on worker's recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employed or used any child labour under the age of 16 years old. The factory has established a policy to protect young workers which stated given a regular health check and would be registered with the local labour office, also did not arrange young workers to hazardous post. Checks of all worker's files showed that the youngest worker in the factory was 26 years old who was born on December 19, 1997 and joined in the factory in December 25,2023. Remark: In China, minimum age of worker is 16 years old. Workers between 16 years old and 18 years old are regarded as young labour.
Evidence examined:
Policy on worker's recruitment Personnel files including the ID card copies of workers Roster and labour contracts of all workers Worker interview and management interview
Any other comments:
Nil

Legal age of employment:	16
Age of youngest worker found:	26
Are there children present on the work floor but not working at the time of audit?	☐ Yes ☑ No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	☐ Yes ☑ No Please give details: NA

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:
• All workers' wages were calculated by hourly rate. • The local legal minimum wage was RMB 2280 per month before Jan. 2024, and after Jan. 2024 the local legal minimum wage was RMB 2490 per month. The factory paid at least RMB 3280 per month as minimum wage to workers which met the local law requirements. • The factory paid 150% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime, which was in line with legal requirement. • All workers were paid before the 20th of following month by cash, each worker was given a pay slip and signed for their wages. • All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
Evidence examined:
Payroll records Attendance records Local legal minimum wage documents Wages and benefits policy Labor contracts for all employees Leave records and resignation records Payment receipts of social insurance Workers and management interview
Any other comments:
Nil

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

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 3.0 Per Week: null Per Month: 36.0	Actual Per Day: 2.0 Per Week: 18.0 Per Month: 82.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 2490	Actual Per Day: 0 Per Week: 0 Per Month: 3280	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0 Per Week: 0 Per Month: 0	NO
Wages Analysis:			
Were accurate records shown at the first request?	☑ Yes ☐ No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	26 samples from Mar 2024 (Current), 26 samples from Jan 2024 (Random), 26 samples from Oct 2023 (Random).		
Are there different legal minimum wage grades? If Yes, please specify all.	☐ Yes ☑ No		
If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☑ Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☐ Below legal min ☐ Meet ☑ Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	The factory paid at least RMB 3280 to workers.		
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:Nil Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, personal income tax		
Have these deductions been made?	☑ Yes ☐ No		
Please list all deductions that have been made.	1. Social insurance some employees were provided with five types of social insurance (pension, work-related injury, medical, pregnant and unemployment). 2.The workers would be deducted the tax who reach the starting point of the personal income tax.		
Please list all deductions that have not been made.	The workers would not be deducted the tax who did not reach the starting point of the personal income tax.		
Were appropriate records available to verify hours of work and wages?	☑ Yes ☐ No		

Were any inconsistencies found? (if yes describe nature)	☐ Yes ☑ No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☑ Yes ☐ No Please give details: The factory provided accurately attendance rec Jun 1st, 2023 to the audit day for review.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	☐ Yes ☑ No Please give details:
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation ☐ Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☑ Yes ☐ No Please give details: The factory reviewed the wages yearly refer to local bureau opinion etc. and informed workers about salary adjustment.
Are workers paid in a timely manner in line with local law?	☑ Yes ☐ No
Is there evidence that equal rates are being paid for equal work:	☑ Yes ☐ No Please give details: The wage policy was established in factory and workers knew the equal rates well
How are workers paid:	☑ Cash ☐ Cheque ☐ Bank Transfer ☐ Other

Good Example	Evidence

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Good Example	
Status	OPEN
Reference	5c651fe9-fbad-4e95-8949-549375f9c4de
Clause	5 - Living Wages are Paid
Issue Title	429 - Company provides a range of additional benefits, including: free medical care on-site, holiday and other bonuses, free library, food subsidy, free transport
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	Based on the management interview, worker interview and onsite observation, the factory has provided free meal for all workers. 基于管理层访谈，员工访谈和现场观察，工厂提供员工免费工作餐。
Evidence	基于管理层访谈，员工访谈和现场观察，工厂提供员工免费工作餐。Management interview Worker interview Onsite observation 管理层访谈 工人访谈 现场观察

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:
•Through employees' interview, overtime is voluntary. •According to attendance records and worker interview, basic working hours were 8 hours per day and 40 hours per week. •Fingerprint was used to record workers' attendance records. •All sampled workers' weekly hours didn't exceed 60 hours. •All sampled workers enjoyed one day off per seven days, the maximum continuous working days were 6 days. •Overtime hours in sample was: 2 hours/day, 18 hours/week, 82 hours/month in Mar 2024 (Current month) 2 hours/day, 18 hours/week, 76 hours/month in Jan 2024 (Random month) 2 hours/day, 18 hours/week, 68 hours/month in Oct 2023 (Random month).
Evidence examined:
• Factory policy on working hours •Local and national laws • Workers contracts • Sample pay slips with recorded hours • Attendance records review • Production records to cross check working hours • Workers and management interview
Any other comments:
Nil

Working hours' analysis	
Systems & Processes	
What timekeeping systems are used?	Electronic 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.)	☑ Yes ☐ No
Are there any other types of contracts/employment agreements used?	☐ Yes ☑ No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	☐ Yes ☑ No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	☑ 1 in 7 days ☐ 2 in 14 days ☐ No (please explain)
Is this allowed by local law?	☑ Yes ☐ No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	☐ Yes ☑ No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	☐ Yes ☑ No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	2 hours/day, 18 hours/week, 82 hours/month in Mar 2024 (Current month) 2 hours/day, 18 hours/week, 76 hours/month in Jan 2024 (Random month) 2 hours/day, 18 hours/week, 68 hours/month in Oct 2023 (Random month)
Combined hours (standard or contracted + overtime hours = total) over 60 found?	☐ Yes ☑ No Please give details: Based on the attendance records provided by factory, sample workers' maximum weekly working hours was 58 hours.
Approximate percentage of total workers on highest overtime hours:	100.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	☑ Yes ☐ No ☐ Conflicting Information Please give details: Please give details: Based on workers interview, the overtime was voluntary.
Overtime premium	

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

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600469859
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?	☐ New ☑ Carried Over
Raised by audit	ZAA423941859
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Labor Law of the People's Republic of China (2018 Amendment), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards.
Explanation to the non compliance	The factory has provided attendance from June 1, 2023 until the day of the audit for review. During this period, the attendance records of 26 sample workers were sampled for review in October 2023 (random), January 2024 (random), and March 2024 (current). 1) In March 2024 (current month), 26 employees out of a sample of 26 (from all positions) had overtime hours in excess of the 36 hours per month required by the regulations, up to a maximum of 82 hours; 2) In January 2024 (random month), 26 employees out of a sample of 26 employees (from all positions) had overtime hours in excess of the 36 hours required by the regulations, up to a maximum of 76 hours; 3) In October 2023 (random month), 26 employees out of a sample of 26 employees (from all positions) had more than 36 hours of overtime per month as

	required by the regulations, up to a maximum of 68 hours. The factory implements standard working hours. 工厂提供了2023年6月1日至审核当天的考勤以供审阅。在此期间，26名抽样工人在2023年10月（随机）、2024年1月（随机）、2024年3月（当前）的考勤记录被抽样审阅。 1) 在2024年3月（当前月）26名抽样员工（来自所有岗位）中的26名员工的月加班时间超过法规要求的36小时，最大为82小时； 2）在2024年1月（随机月）26名抽样员工（来自所有岗位）中的26名员工的月加班时间超过法规要求的36小时，最大为76小时； 3）在2023年10月（随机月）26名抽样员工（来自所有岗位）中的26名员工的月加班时间超过法规要求的36小时，最大为68小时。 工厂执行标准工时制。
Follow up method	☑ Follow up audit ☐ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☐ 60 days ☑ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The factory should ensure OT hours comply with legal requirement. 工厂应确保加班时间符合法规要求。

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:
• According to management interview and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement. • There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and Retirement. • There was no evidence of sexual harassment. • The management generally knew the requirement of Non-Discrimination. • According to interview with sampled workers, most of them were satisfactory with factory management.
Evidence examined:
• The hiring and termination procedure, leave application records and employee handbook. • Payrolls • Attendance records • Termination records • Training records
Any other comments:
Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 26.2%		Female: 73.8%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	30 Technician		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	☐ Hiring	☐ Compensation	☐ Access to training
	☐ Promotion	☐ Termination or retirement	☑ No evidence of discrimination found
Please give details	No negative evidence of discrimination was identified during audit.		
Professional Development			
What type of training and development are available for workers?	New workers' probation training on EHS, HR policies, etc. Technical training on machine operation, etc.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	☑ Yes ☐ No		

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
All workers were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor. All interviewed workers had received a signed labour contract. Workers' personal files were provided for review.
Evidence examined:
The hiring and termination procedure Personal files Payroll records were provided for review Labour contracts
Any other comments:
Nil

Responsible Recruitment	
All Workers	
Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	☑ Terms & Conditions presented ☑ Understood by workers ☑ Same as actual conditions
Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)	☐ Yes ☑ No
Migrant Workers	

Type of work undertaken by migrant workers:	There were no migrant workers from different countries. Workers were migrants from different provinces of China, such as Sichuan Province, Henan Province, Zhejiang Province, etc. All positions in the factory.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☐ Yes ☑ No Please give details: No deduction found except social insurance and tax in the factory, and migrant workers' deduction made from wages were confirmed in writing by the worker themselves
Is there any observation on this finding?	NA
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	☑ Yes ☐ No 11, technician
Non-employee workers	
Recruitment Fees	
Are there any fees?	☐ Yes ☑ No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	No agency was used.
Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☑ No
Were sufficient documents for agency workers available for review?	☐ Yes ☑ No
Is there a legal contract agreement with all agencies?	☐ Yes ☑ No Please give details: No agency was used.
Does the site have a system for checking labour standards of agencies?	☐ Yes ☑ No Please give details: No agency was used.
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	☐ Yes ☑ No Please give details: NA. No contractor worker was used in the factory.

Do all contractor workers understand their terms of employment?	☐ Yes ☑ No Please give details: NA. No contractor worker was used in the factory.

8A - Sub–Contracting and Homeworking [Summary of Findings]
8A: Compliance Requirements 8.A.1 There should be no sub–contracting unless previously agreed with the main client. 8.A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.

Current Systems and Evidence Examined
To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current Systems:
• According to management interview and workers interview, there were no any home-working activities in the factory and such information was further confirmed by factory tour. • According to factory tour observation and management interview, factory did not subcontract any process to other factory, and no homeworking was identified.
Evidence examined:
• Onsite observation • Materials in/out records • Management interview • Workers interview • Document review
Any other comments:
Nil

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

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• The factory management had established a disciplinary procedure which included oral warning, written warning and finally termination and the site had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure. • No negative evidence of mental / physical coercion was identified during the audit. • There was no evidence of sexual harassment. • There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management.
Evidence examined:
• The relevant policy on prevention of harassment and abuse. • Internal grievance procedure documentation • Training records • Worker interview and management interview
Any other comments:
Nil

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

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

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• Based on document review, management and workers interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region. • All workers were recruited directly by the factory and no agency was involved in the factory's recruitment processes. • The factory had established Recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment. • No contractor worked in the factory. • The factory collected related laws on entitlement to work and immigration.
Evidence examined:
• Hiring procedure • Personnel files and labor contracts • Employee handbook • Employee roster • Worker interview and management interview
Any other comments:
Nil

10B2 - Environment 2–Pillar [Summary of Findings]
10B2: Compliance Requirements 10.B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10.B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current Systems:
• Based on observation on site, there was no hazardous waste on site. • Based on workers interview, they were trained on environmental protection. • The factory established the environmental protection policy and environmental pollution emergency plan was available for review.
Evidence examined:
• Worker and management interviews • Site tour • Environment policy & procedure. The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
Any other comments:
Nil

Attachments

SMETA-JSASCN24446802-Suzhou Taihu Snow Silk Co Ltd-May 17, 2024-Annual-Photo.pdf	SMETA-JSASCN24446802-Suzhou Taihu Snow Silk Co Ltd-May 17, 2024-Annual-onsite-cap.pdf

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