



Ethical Audit Report



Client	ATS audit	AI Service No	R-us7-1768617
Supplier	LONGFIELD-YIWU CITY OUJIA BAGS	Auditor	Billy Huang
Factory	Yiwu City Oujia Bags Limited Company	Date	20-Mar-2017
Industry	Textile, Apparel, Footwear & Accessories	Country	China

Factory Overall Score **8.4** of a possible 10

Factory Overall Score	8.4
Your suppliers' average	7.8
Country average	7.9
Industry average	7.8

Audit Rating **8.4** Desktop review required

		Critical NC	Major NC	Minor NC	Score out of 10
Health & Safety, Hygiene	35%	0	3	2	8.2
Waste Management	20%	0	1	3	6.4
Child Labor	15%	0	0	0	10
Hours, Wages & Benefits	20%	0	1	1	8.7
Labor Practices	10%	0	0	0	10
Total		0	5	6	8.4

NC: Non-Compliances

Corrective actions required by: 20-Jun-2017

Description of audited plant

- 1, Based on factory tour, the factory had the professional facilities for bags manufacture, and main production processes were Sewing, Checking, Packaging, Finished goods.
- 2, The factory leased 2F of one 5-storey building as office, productions and warehouses.
- 3, No kitchen and dormitory was provided for workers in the factory.

Important remarks

Part 1 Health & Safety, Hygiene

- 1, Sufficient fire equipment's including fire alarms, fire extinguishers, fire hose and etc. except sprinklers and smoke detector were installed in the factory.
- 2, Electrical system was in safety condition.
- 3, Based on workers interview and on-site observation, sufficient and appropriate PPEs were provided for related workers.
- 4, No chemicals were used in the factory.
- 5, No dormitory and kitchen were available in the factory.
- 6, Appropriate trainings were provided for workers.
- 7, **Poor machines safety control in the factory.**
- 8, **Insufficient documents (such as Occupational Health Risk Assess reports, Occupational Health Examination reports and warning signs) were available in workshops during audit.**

Part 2 Waste Management

- 1, No environmental pollution was identified during audit day.
- 2, No industrial waste water and waste air were generated in the factory.
- 3, The factory established Environmental Impact Assessment form and obtained Approval reports of Environment Protection from Local Environment Protection Bureau.
- 4, No hazardous wastes were identified from the factory.
- 5, **Insufficient documents (such as records of all solid wastes, air quality yearly monitoring report and noise level yearly monitoring report) were provided for review during audit.**
- 6, **Poor solid wastes management in the factory.**

Part 3 Child Labor Part

- 1, All employees' personal files with ID cards copies were provided for review.
- 2, No child labor or young workers were identified during this factory visit.
- 3, The factory signed labor contracts with all employees and gave a copy to each employee.

Part 4 Working Hours, Wages and Benefits

- 1, Payrolls and attendance records of past 12 months were provided for review.
- 2, All employees were paid as per local legal requirements and provided paid leaves.
- 3, The paid statutory holidays (e.g. maternity leave, annual leave, etc.) were provided for all employees.
- 4, No monetary deductions were identified during this factory visit.
- 5, One day off in seven was guaranteed, Max 2 hours overtime per day and Max 58 hours working time per week. **But excessive monthly overtime hours were identified.**
- 6, **Insufficient social insurance coverage for all employees was identified.**

Part 5 Labor Practices

- 1, No violations about discrimination/forced labor/prison labor were identified.
- 2, No monetary deduction used as disciplinary practices were identified.

Home Workers and Subcontractors

- Is there any home workers used by factory? No
 If yes, description: Nil
 Is there any subcontractor used by factory? No
 If yes, description: Nil

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Number of days spent: 1 Man-day



Auditor 1: Billy Huang

Supervisor: Geovanni Galo

Departure time from home / office

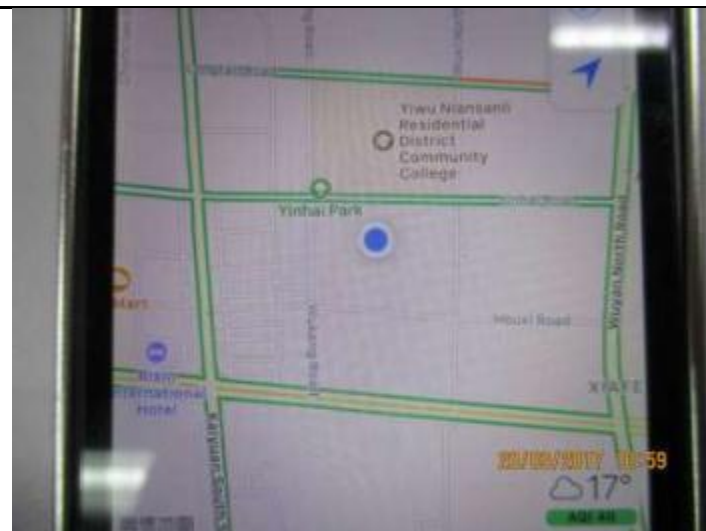
Arrival time at Factory

Departure time from Factory

6:30

8:30

16:00



Factory Map



GPS Location



Factory Gate



Factory Building



Sewing workshop



Packaging workshop



Warehouse



Warehouse



Sample making Room



Sample Room



Manager



Office



Business License



Workers on site



Raw material in the factory



Final product

A. Observation & Questions

Basic Factory Profile

Item		Finding	Comments	
1	Date of formation	12-Mar-2014	Nil	
2	Legal status	Limited Company	Nil	
3	Location	No. 1328, Yin Hai Road, Yansanli Street, Yiwu City, Zhejiang Province, China.	Nil	
4	GPS Location	29°20'22" N 120°10'7" E	Nil	
5	Area (m2)	About 1300 m2	Nil	
6	Owner	Liang Bin Xu	Nil	
7	Total staff in the factory	49	Nil	
8	Total office staff	12	Nil	
9	Total Management staff	4	Nil	
10	Number of workers	33	Nil	
11	Factory Manager	Ms. Sai Fang He	Nil	
12	Health and Safety Manager	Mr. Tian Peng Pan (HR Director)	Nil	
13	Main products	Bags	Nil	
14	Main markets	Europe and USA	Nil	
15	Annual turnover	2016: USD 3.1 million	Nil	
16	Business license	Date of issue: 21-Dec-2016	License Number: 91330782093370034K	
		Expiry date: 11-Mar-2034		
17	Payroll records of all employees	The factory provided payrolls of Feb-2016 to Jan-2017 for all employees for review.	Nil	
18	Time cards for all employees	The factory provided working hour records of 1-Feb-2016 to 19-Mar-2017 for all employees for review.	Nil	
19	Subcontractors	No	Nil	
20	Communication equipment	Telephone	86-579-85086331	Nil
		Fax	86-579-85084702	Nil
		Computer	15 sets	Nil
		Internet	ADSL	Nil
		Homepage	Http://aimy2009.1688.com	Nil
		Digital camera	2 sets	Nil

Part 1 Health & Safety, Hygiene

1. General

Item No	Requirement	Result	Comments
1.1	Is a risk analysis conducted to identify the risks associated with production and is this risk analysis reviewed regularly and updated when necessary?	Pass	The factory established health & safety risk analysis control procedure and conducted risk analysis regularly with records.
1.2	Is there a senior management representative for Health & Safety?	Pass	Mr. Tian Peng Pan (HR Director) was appointed as the health & safety representative and health & safety appoint sheet was available, and the factory provided valid certificate of safety production representative for review during audit.
1.3	Does the factory arrange health and safety training for new workers and for everyone who changes working roles?	Pass	The factory arranged health and safety training for all workers, and the factory provided related training records for review during audit.
1.4	Does the factory have a working environment that is well-ventilated, comfortable temperature, decent lighting, clean, tidy and enough room for each worker? If there are any possible issues that would impact the health of the worker, please give details.	Major	The factory working environment was tidy, clean, ventilation, comfortable temperature and decent lighting. The factory did not conduct Occupational Health Risk Assess of noise level in sewing workshops (based on on-site observation, loud noise was identified in sewing process). The factory did not provide Occupational Health Examination for the sewing workers.
1.5	Are all serious work-related accidents reported and recorded and corrective actions taken to prevent recurrence of work-related accidents?	Pass	Factory established production safety policy in place, and provided work-related accident/injury records for review during audit.
1.6	Is appropriate and adequately maintained personal protective equipment (PPE) provided by the factory?	Pass	Based on factory tour, goggle, ear plug and etc. PPE were provided for sewing workers, and all workers wore appropriate PPEs during working time.
1.7	Have workers been trained in the use of PPE and are using provided equipment correctly?	Pass	The workers had been trained in how to use the PPE and provided training records for review during audit.
1.8	Do workers have access to an adequate amount of fresh drinking water?	Pass	The factory provided clean purified drinking water to the workers.
1.9	Are there an adequate number of first aid kits?	Pass	Appropriate first aid kits (total 2 first aid boxes) were available in the workshops, warehouses and office.
1.10	Are first aid kits easily accessible and clearly marked and the content within the expiry date, applicable and replaced when used?	Pass	First aid kits were easily accessible and clearly marked based on on-site observation.
1.11	Are adequate workers trained on first aid? Specify the number of trained personnel at the factory.	Pass	One qualified first aider was available in the factory.
1.12	Are lavatory and or washroom facilities, clean, well maintained, adequate in number, separated by sex, and with relevant privacy?	Minor	Based on factory tour, there were 4 seating for women, 4 seating for men of toilets, ventilation and separated by gender. But the toilets were not clean.

Picture(s)



Appropriate PPE for workers



Appropriate PPE for workers



First aid kit



Drinking water spot



Toilets were separate by gender



First aider license

课程名称	课程时长	参加人数	培训日期	培训地点	培训效果
新员工入职培训	2天	100	2014.07.20-21	公司会议室	良好
安全生产培训	1天	100	2014.07.20	公司会议室	良好
消防安全培训	1天	100	2014.07.20	公司会议室	良好
特种设备安全培训	1天	100	2014.07.20	公司会议室	良好
环保知识培训	1天	100	2014.07.20	公司会议室	良好

Training plan

姓名	岗位	培训日期	培训地点	培训效果
李小明	操作工	2014.07.20	公司会议室	良好
王小红	操作工	2014.07.20	公司会议室	良好
张大山	操作工	2014.07.20	公司会议室	良好
刘小华	操作工	2014.07.20	公司会议室	良好
陈伟强	操作工	2014.07.20	公司会议室	良好

PPE using training records

姓名	培训日期	培训内容	培训效果
李小明	2014.07.20	安全生产培训	良好
王小红	2014.07.20	安全生产培训	良好
张大山	2014.07.20	安全生产培训	良好
刘小华	2014.07.20	安全生产培训	良好
陈伟强	2014.07.20	安全生产培训	良好

Health & Safety training records for all employees

安全生产证书

姓名: 李小明 性别: 男

文化程度: 高中 职位: 操作工

身份证号: 330702198012291212

工作单位: 义乌市欧嘉箱包有限公司 生产部

现任职务: 负责人

单位类型: 工厂

发证日期: 2014年07月20日

有效期至: 2014年07月20日至2017年07月20日

证书编号: 140705001819

Production safety certificate

日期	地点	事故描述	控制措施	备注
2014.07.20	生产车间	无	无	无
2014.07.21	生产车间	无	无	无
2014.07.22	生产车间	无	无	无
2014.07.23	生产车间	无	无	无
2014.07.24	生产车间	无	无	无
2014.07.25	生产车间	无	无	无
2014.07.26	生产车间	无	无	无
2014.07.27	生产车间	无	无	无
2014.07.28	生产车间	无	无	无
2014.07.29	生产车间	无	无	无
2014.07.30	生产车间	无	无	无

Work-related accidents control records

环境健康安全小组

义乌市欧嘉箱包有限公司

环境健康安全小组架构图:

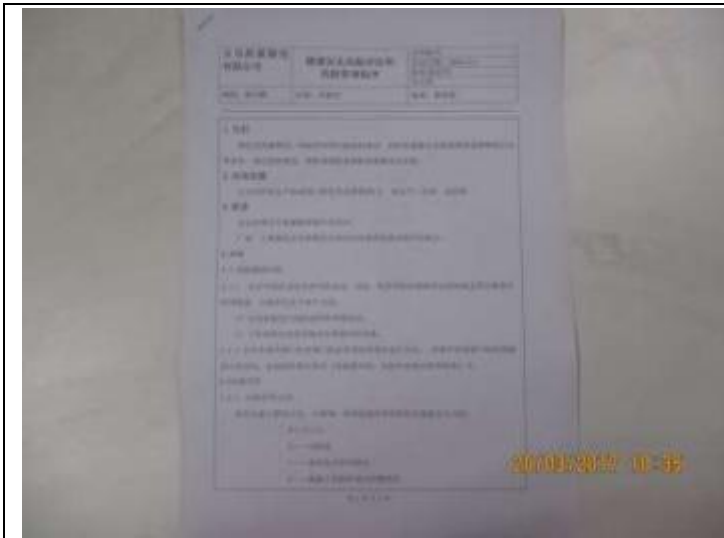
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    graph TD
      A[环境健康安全小组] --> B[环境安全代表]
      A --> C[安全代表]
      A --> D[环境安全代表]
      B --> E[环境安全代表]
      B --> F[环境安全代表]
      C --> G[环境安全代表]
      C --> H[环境安全代表]
      D --> I[环境安全代表]
      D --> J[环境安全代表]
  
```

组长: 李小明
副组长: 王小红
成员: 张大山, 刘小华, 陈伟强

义乌市欧嘉箱包有限公司
2014年07月20日

Health and Safety representative and control team



Health and Safety risk analysis control procedure



Health and Safety risk analysis reports



Health and Safety control procedure



The toilets were not clean

2. Building Safety

Item No	Requirement	Result	Comments
1.13	Are legal construction certificates (building structure) available?	Pass	Factory provided the building construction inspection certificate for review during audit, and no structure safety hazard for workers was identified for the building based on on-site observation.
1.14	Are all site buildings, including dormitories maintained in good condition without posing a threat to the health of workers?	Pass	The building was maintained regularly, and no structure safety hazard was identified during audit.

Picture(s)	
Building construction inspection certificate	Building construction inspection certificate
	Nil
Building leased contract	Nil

3. Fire Safety

Item No	Requirement	Result	Comments
1.15	Does the factory have adequate unblocked fire exits for every factory workshop/floor?	Pass	There were 2 exits for the workshops and warehouses, and fire exits were open during working time.
1.16	Has the factory been certified by the local fire bureau, and made efforts to comply with recommendations from audits?	Pass	The factory provided fire inspection report of the building from the local fire bureau for review.
1.17	Are there an adequate number of fire extinguishers and or other fire extinguishing systems in each building (including the dormitories)?	Pass	There was adequate number of fire extinguishers in the building. The factory disposed 26 fire extinguishers and 2 fire hoses and maintained in good condition and function.

1.18	Is all fire extinguishing systems (including fire hoses) inspected, maintained properly and ready to use at all times?	Pass	The fire extinguishing systems (including fire hoses, fire alarms, fire extinguishers and etc.) were inspected, and maintained (1 time / month) in good condition.
1.19	Are fire drills conducted regularly?	Pass	Based on workers interview and documents review, twice fire drill was conducted, and last twice trainings were on 27-Feb-2017 and 19-Sep-2016.
1.20	Are there fire alarms on each floor and adequate emergency lighting above exits and in working order?	Pass	2 fire alarms were installed in the factory and adequate emergency and exit lightings were above all exits and maintained in good condition.
1.21	Are there fire/evacuation procedures in place with relevant evacuation plans posted in every workshop?	Pass	Evacuation plans were posted in the floor of workshops and warehouses. Evacuation procedures were established in place.
1.22	Are smoke detectors/sprinklers installed in all workshops/warehouses?	Minor	Based on factory tour, no smoke detectors and sprinklers were installed in all workshops and warehouses (no law requirement).

Picture(s)



Fire extinguishers



Fire hydrant



Maintenance records for fire equipment's



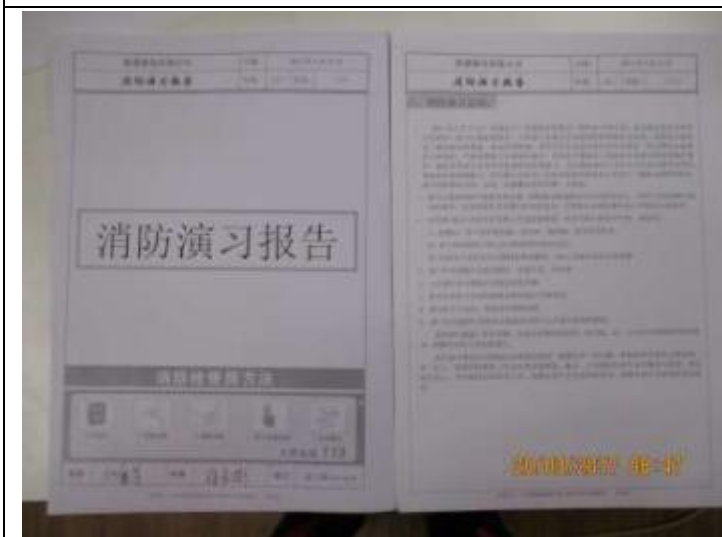
Emergency and exit sign light



Fire alarm



Evacuation plan



Fire drill



<p>Fire record certificates</p>	<p>No smoke detectors and sprinklers were installed in all workshops and warehouses</p>

4. Machines/Installations

Item No	Requirement	Result	Comments
1.23	Does the factory have appropriate maintenance/inspections for boilers, elevators, pressure vessels and other equipment per local regulation?	Pass	Based on factory tour, 1 set elevator was used in the factory, and the factory provided valid inspection reports for review during audit.
1.24	Is adequate guarding or devices installed for moving/rotating parts of machine, pulleys and belts or any other dangerous parts of machines?	Major	Safeguards were installed for the belts of mass sewing machines. But auditor found no safeguards were installed for the needles of all sewing machines and the belts of 12 sets sewing machines in sewing workshop.
1.25	Are all electricians, welding operators and forklift drivers and other employees who operate special equipment trained and qualified per local regulations?	Pass	Valid electrician and elevator operator certificate were available.
1.26	Are all electrical wires in the facility adequately protected?	Pass	Based on factory tour, all electric break boxes were with protective boxes and in safety condition during audit. No electrical wires were exposed in the factory during audit.
1.27	Are there appropriate warning signs and written instructions for the operators of machinery?	Major	Based on on-site observation, the written instructions were established and posted for the operators of machinery in workshops during audit. The warning signs were not established and posted for the operators of machinery in workshops during audit.
1.28	Do operators of machinery get training about safety regulations and operating procedures?	Pass	Operators of machinery got professional training about safety regulations and operating procedures based on workers interview, and the factory provided related training records for review.

Picture(s)



Safeguard for the belt of sewing machines



Machine safety operation instructions



Cargo lift



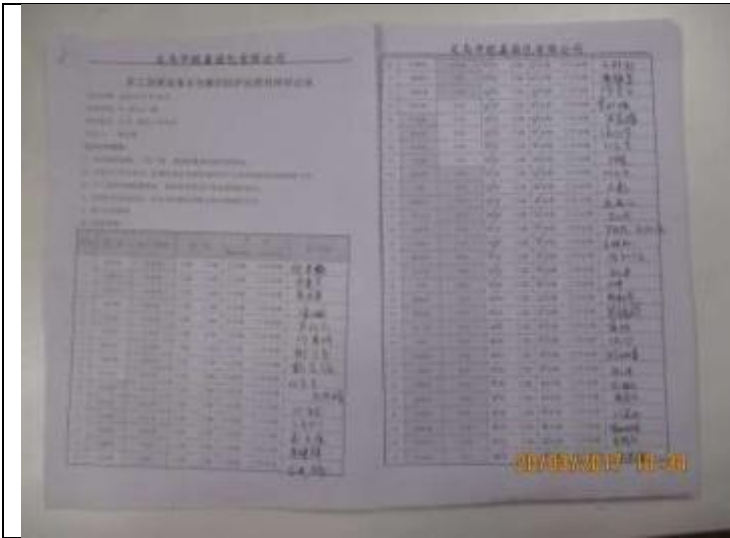
Safety electrical breaker



Cargo lift operator certificate



Cargo lift inspection report



Training records about safety regulations and machine operating procedures

Electrician certificate



No safeguard for the belt of sewing machine

No safeguard for the needle of sewing machine

5. Hazardous Materials

Item No	Requirement	Result	Comments
1.29	Are hazardous materials / chemicals properly stored, with relevant container and secondary container?	N/A	No chemicals were identified and used in the factory.
1.30	Does the factory have MSDS and warning / "No Smoking" signs for each chemical product?	N/A	No chemicals were identified and used in the factory.
1.31	Are these materials only accessible to competent employees?	N/A	No chemicals were identified and used in the factory.
1.32	Are the designated employees properly trained for the handling of these hazardous materials?	N/A	No chemicals were identified and used in the factory.

6. Canteen and Dormitories (if Applicable)

Item No	Requirement	Result	Comments
1.33	Are the factory kitchen and canteen clean and hygienic with adequate facilities and the required permits and certificates, including canteen staff health certificate?	N/A	No canteen and kitchen were available in factory.
1.34	Are workers' dormitories separated from production's building and/or warehouse?	N/A	No dormitory was available in factory.
1.35	Are all exits unblocked and unlocked at all times for emergency evacuation in dormitories?	N/A	No dormitory was available in factory.
1.36	Are workers free to exit & re-enter dormitory freely? Please provide details of any limitations.	N/A	No dormitory was available in factory.
1.37	Does each worker have adequate living space? Please indicate the space per worker and number of workers per room.	N/A	No dormitory was available in factory.
1.38	Are the dormitories clean? Are there adequate toilets with hand basins available to workers at adequate distance at dormitory? Are there adequate bathrooms available to workers at dormitory? Are sanitary areas clean and hygienic with available washing facilities?	N/A	No dormitory was available in factory.
1.39	Are there recreation areas for the workers?	N/A	No dormitory was available in factory.

Special Remarks on this section
<p>1, Sufficient fire equipment's including fire alarms, fire extinguishers, fire hose and etc. except sprinklers and smoke detector were installed in the factory.</p> <p>2, Electrical system was in safety condition.</p> <p>3, Based on workers interview and on-site observation, sufficient and appropriate PPEs were provided for related workers.</p> <p>4, No chemicals were used in the factory.</p> <p>5, No dormitory and kitchen were available in the factory.</p> <p>6, Appropriate trainings were provided for workers.</p> <p>7, Poor machines safety control in the factory.</p> <p>8, Insufficient documents (such as Occupational Health Risk Assess reports, Occupational Health Examination reports and warning signs) were available in workshops during audit.</p>

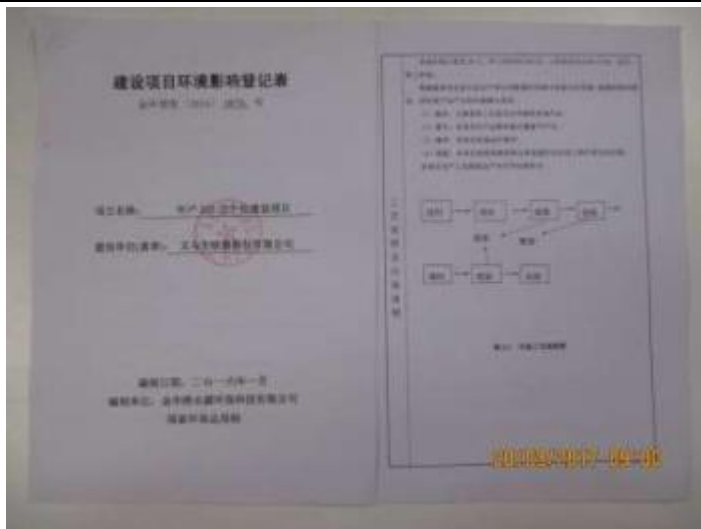
Critical NC	Major NC	Minor NC	Score /10
0	3	2	8.2/10

Part 2 Waste Management

1. Legal Authorizations

Item No	Requirement	Result	Comments
2.1	Does factory have a valid Environmental Impact Assessment (where applicable)?	Pass	Factory provided a valid Environmental Impact Assessment form for review.
2.2	Does factory have a valid Approval Report of Environmental Impact Assessment, or relevant legal document to start operations?	Pass	The factory obtained valid reports of Environmental Impact Assessment form Approval and Acceptance of environmental protection from local Environment Bureau.
2.3	Does factory maintain a valid Pollutant Discharge Permit or equivalent, where applicable?	N/A	Not applicable, no industry waste water and waste air was emission in the factory.

Picture(s)



Environmental Impact Assessment form



Environmental Impact Assessment form




Approval of the registration form of environmental impact



Approval report of Environmental Protection

2. Solid and Hazardous Wastes

Item No	Requirement	Result	Comments
2.4	Does factory inventory all solid wastes, including kind, sources, and quantities?	Minor	The factory established wastes control procedure in place, and all solid wastes were recycled by local environmental station, and no contamination was identified on site. The factory did not inventory records of all solid wastes including kind, sources and quantities.
2.5	Does factory adequately separate recyclable from non-recyclable wastes in workshops/warehouses?	Minor	Based on on-site observation, all wastes were stored in the factory, and the storage condition was adequate to prevent contamination. But no adequately separation recyclable from non-recyclable wastes was maintained in the factory.
2.6	Can factory prove that they have taken actions to reduce/recycle/re-use solid wastes as much as possible?	Pass	The factory had taken actions to reduce/recycle/re-use solid wastes as much as possible.
2.7	Does factory inventory all hazardous wastes, including kind, sources, and quantities?	N/A	No hazardous wastes were identified in the factory during audit.
2.8	Does factory store hazardous wastes in a relevant ways, closed, with control access and ensure it cannot spill?	N/A	No hazardous wastes were identified in the factory during audit.
2.9	Is factory able to prove that hazardous wastes are transferred to 3rd party with relevant certifications, and keep records of wastes transfer including quantities?	N/A	No chemical hazardous wastes were identified in the factory during audit.

Picture(s)	
	<p>Nil</p>
<p>No adequately separation recyclable from non-recyclable wastes</p>	

3. Waste Water, Air Emissions and Noise

Item No	Requirement	Result	Comments
2.10	Does factory inventory all waste water, including domestic waste water and industrial waste water, with sources and quantities?	Pass	No industrial waste water was generated in the factory. Only some domestic waste water was occurred in the factory, and from waste water monitor report, the waste water emission was meeting the local standard requirements.
2.11	If applicable, is factory able to demonstrate that waste water is treated adequately before discharge, with relevant equipment and trained staff?	N/A	No industrial waste water was generated in the factory.
2.12	Is factory able to demonstrate that waste water at discharge point is meeting the local standards requirement (through lab testing reports)?	N/A	No industrial waste water was generated in the factory.
2.13	When observing waste water discharge point, does water seem to have color or odor on audit day?	N/A	No industrial waste water was generated in the factory.
2.14	Does factory inventory all air emissions, with sources and identification of treatment needed?	N/A	Based on factory tour and Environmental Impact Assessment form review, no industry waste air emissions was identified in the factory.
2.15	Is factory able to demonstrate that air quality at factory's boundaries is meeting the local standards requirement (through lab testing reports)?	Minor	The factory did not conduct air quality yearly monitoring for environment impact. (No industry waste air emission was identified in the factory.)
2.16	On audit day, is there any smell, fog, or dust observed by auditor on factory's direct environment, linked to factory's activity?	Pass	On audit day, there was not any smell, fog, or dust observed by auditor on factory's direct environment.
2.17	Is factory able to demonstrate that noise level at factory's boundaries is meeting the local standards requirement (through lab testing reports)?	Major	The factory did not conduct noise level yearly monitoring for environment impact. (Based on on-site observation, loud noise level was identified for sewing process in the factory.)

4. Energy and Water reduction

Item No	Requirement	Result	Comments
2.18	Can factory demonstrate that energy use is monitored and that actions have been taken to reduce energy use?	Pass	Based on factory manager interview and on-site observation, factory took some actions for Saving energy (electricity), and plan or records were available.
2.19	Can factory demonstrate that water use is monitored and that actions have been taken to reduce water use?	Pass	Based on factory manager interview and on-site observation, factory took some actions for Saving water, and plan or records were available.

Special Remarks on this section

- 1, No environmental pollution was identified during audit day.
- 2, No industrial waste water and waste air were generated in the factory.
- 3, The factory established Environmental Impact Assessment form and obtained Approval reports of Environment Protection from Local Environment Protection Bureau.
- 4, No hazardous wastes were identified from the factory.
- 5, Insufficient documents (such as records of all solid wastes, air quality yearly monitoring report and noise level yearly monitoring report) were provided for review during audit.
- 6, Poor solid wastes management in the factory.

Critical NC	Major NC	Minor NC	Score /10
0	1	3	6.4/10

Part 3 Child Labor

1. Child Labor

Item No	Requirement	Result	Comments
3.1	Does the factory comply with the legal minimum age? Please note the age of the youngest worker found.	Pass	Legal minimum age was 18 years old, and the youngest worker was 23 years old, who born on 15-Feb-1996 and employed on 6-Jul-2015 in the factory.
3.2	Does the factory have effective procedures such as verifying suspected young worker documents to confirm the correct age of the worker at the time of recruitment?	Pass	The factory had a hire procedures and child labor procedure to confirm the correct age of the worker at the time of recruitment.
3.3	Does the factory sign contracts with all workers and keep copies or records of ID documents of workers or similar way to check age?	Pass	The factory sign labor contracts with all workers and keep copies or records of ID documents of workers.
3.4	Does the factory have understood the requirements of laws and regulations on child labor and young workers? If so, is there a written child labor policy?	Pass	There was a written child labor and young workers policy according to the requirements of laws.

2. Young Workers

Item No	Requirement	Result	Comments
3.5	Are young workers exempted from hazardous work?	N/A	The youngest worker was 23 years old in the factory.
3.6	Are young workers exempted from night shift?	N/A	The youngest worker was 23 years old in the factory.
3.7	Are young workers exempted from overtime?	N/A	The youngest worker was 23 years old in the factory.
3.8	Are young workers registered and given annual health checks?	N/A	The youngest worker was 23 years old in the factory.

Picture(s)



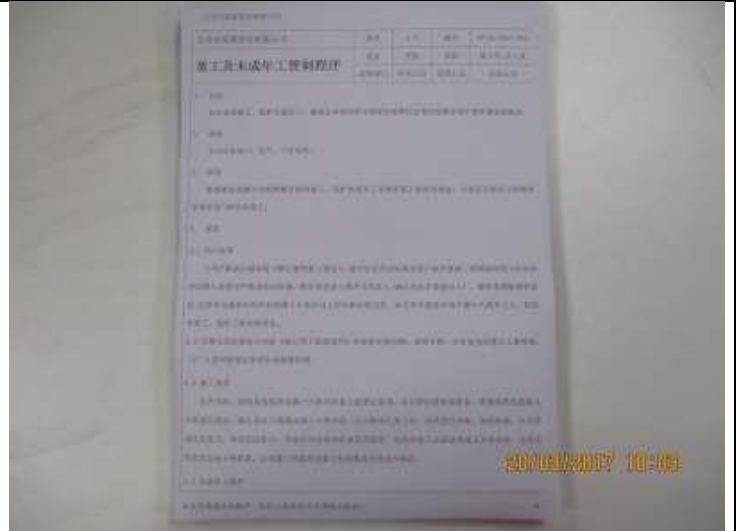
Labor contract



Labor contract



Personnel file and ID copy



Child labor and young workers policy



Roster



New employees recruit control procedure



Ethical Audit Report



Special Remarks on this section

- 1, All employees' personal files with ID cards copies were provided for review.
- 2, No child labor or young workers were identified during this factory visit.
- 3, The factory signed labor contracts with all employees and gave a copy to each employee.

Critical NC	Major NC	Minor NC	Score /10
0	0	0	10/10

Part 4 Working Hours, Wages and Benefits

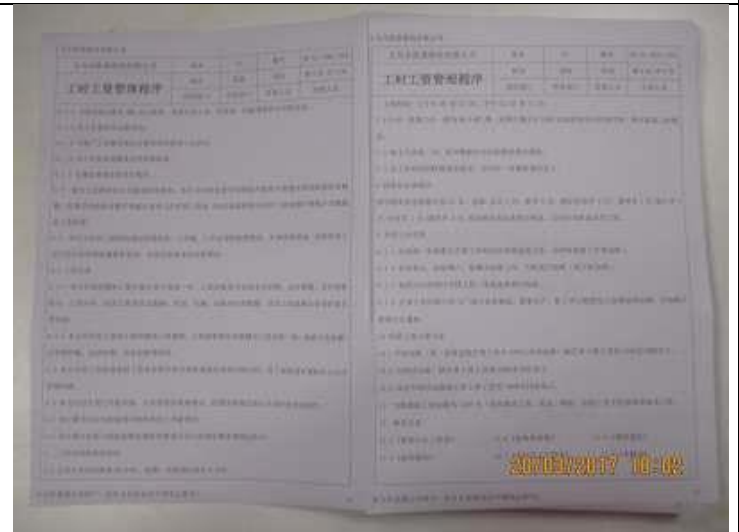
1. Working Hours

Item No	Requirement	Result	Comments
4.1	Do the working hours of individual workers comply with local regulation? Do the working hours exceed the international recommendation of 60 hours / week?	Minor	The factory provided working hour records from 1-Feb-2016 to 19-Mar-2017 for all employees for review, and auditor sampled working time records of 10 workers from Mar-2016, Sep and Dec-2016 for review, and workers' overtime hours were 0~2 hours per day, 0~18 hours per week. No inconsistency was identified during audit. But Overtime 48 to 56 hours per month (>36 hours per month from PRC Labor Law) for Mar-2016, Sep and Dec-2016 for all sampled workers were identified based on working hour records during audit.
4.2	Do workers have 1 day off within 7 days (or 2 days off within 14 days where applicable)?	Pass	All workers had at least 1 day off within 7 days based on working hour records and workers interview.
4.3	Does the factory record the working hours of individual workers in a reliable manner?	Pass	The factory had fingerprinting electronic attendance system in place to record the working hours, it was in a reliable manner.
4.4	Are workers given reasonable times for lunch and rest breaks?	Pass	The employees worked from 8:00 to 11:30 and from 12:30 to 17:00 per day (1 hour for lunch and rest) based on working hour records and workers interview.
4.5	Are workers assigned overtime on a voluntary basis?	Pass	All workers were voluntary to overtime in the workshop based on workers interview.
4.6	Do workers have legal vacation, national holidays and paid leave?	Pass	All workers had legal vacation, national holidays and paid leave based on working hour records and workers interview.

Picture(s)



Working hour record system



Working hours control procedure



Working hour records



Working hour records

考勤号码	姓名	日期	考勤时段	上班时间	下班时间	签到时间	签退时间
17	陈荣富	2016-12-01	上午(夏令时)	08:00	11:30	07:56	11:34
17	陈荣富	2016-12-01	下午(夏令时)	12:30	17:00	12:25	17:01
17	陈荣富	2016-12-02	上午(夏令时)	08:00	11:30	07:56	11:38
17	陈荣富	2016-12-02	下午(夏令时)	12:30	17:00	12:29	17:06
17	陈荣富	2016-12-02	休息(日)	18:00	20:00	17:51	20:02
17	陈荣富	2016-12-03	上午(夏令时)	08:00	11:30	07:54	11:30
17	陈荣富	2016-12-03	下午(夏令时)	12:30	17:00	12:29	17:07
17	陈荣富	2016-12-05	上午(夏令时)	08:00	11:30	07:56	11:34
17	陈荣富	2016-12-05	下午(夏令时)	12:30	17:00	12:26	17:09
17	陈荣富	2016-12-06	上午(夏令时)	08:00	11:30	07:57	11:39
17	陈荣富	2016-12-06	下午(夏令时)	12:30	17:00	12:21	17:06
17	陈荣富	2016-12-06	休息(日)	18:00	20:00	17:52	20:04
17	陈荣富	2016-12-07	上午(夏令时)	08:00	11:30	07:56	11:31
17	陈荣富	2016-12-07	下午(夏令时)	12:30	17:00	12:30	17:08
17	陈荣富	2016-12-08	上午(夏令时)	08:00	11:30	07:59	11:36
17	陈荣富	2016-12-08	下午(夏令时)	12:30	17:00	12:23	17:05
17	陈荣富	2016-12-08	休息(日)	18:00	20:00	17:56	20:02
17	陈荣富	2016-12-09	上午(夏令时)	08:00	11:30	07:53	11:36
17	陈荣富	2016-12-09	下午(夏令时)	12:30	17:00	12:25	17:01
17	陈荣富	2016-12-10	上午(夏令时)	08:00	11:30	07:58	11:31
17	陈荣富	2016-12-10	下午(夏令时)	12:30	17:00	12:30	17:06
17	陈荣富	2016-12-12	上午(夏令时)	08:00	11:30	07:52	11:34
17	陈荣富	2016-12-12	下午(夏令时)	12:30	17:00	12:23	17:06
17	陈荣富	2016-12-12	休息(日)	18:00	20:00	17:55	20:02
17	陈荣富	2016-12-13	上午(夏令时)	08:00	11:30	07:59	11:37
17	陈荣富	2016-12-13	下午(夏令时)	12:30	17:00	12:21	17:07
17	陈荣富	2016-12-13	休息(日)	18:00	20:00	17:51	20:04
17	陈荣富	2016-12-14	上午(夏令时)	08:00	11:30	07:56	11:39
17	陈荣富	2016-12-14	下午(夏令时)	12:30	17:00	12:30	17:05
17	陈荣富	2016-12-14	休息(日)	18:00	20:00	17:54	20:01
17	陈荣富	2016-12-15	上午(夏令时)	08:00	11:30	07:58	11:40
17	陈荣富	2016-12-15	下午(夏令时)	12:30	17:00	12:28	17:08
17	陈荣富	2016-12-16	上午(夏令时)	08:00	11:30	07:50	11:37
17	陈荣富	2016-12-16	下午(夏令时)	12:30	17:00	12:22	17:04
17	陈荣富	2016-12-16	休息(日)	18:00	20:00	17:55	20:10
17	陈荣富	2016-12-17	上午(夏令时)	08:00	11:30	07:56	11:40
17	陈荣富	2016-12-17	下午(夏令时)	12:30	17:00	12:30	17:08
17	陈荣富	2016-12-19	上午(夏令时)	08:00	11:30	07:52	11:38
17	陈荣富	2016-12-19	下午(夏令时)	12:30	17:00	12:27	17:09
17	陈荣富	2016-12-20	上午(夏令时)	08:00	11:30	07:53	11:36
17	陈荣富	2016-12-20	下午(夏令时)	12:30	17:00	12:24	17:01
17	陈荣富	2016-12-20	休息(日)	18:00	20:00	17:55	20:00
17	陈荣富	2016-12-21	上午(夏令时)	08:00	11:30	08:00	11:38
17	陈荣富	2016-12-21	下午(夏令时)	12:30	17:00	12:30	17:07
17	陈荣富	2016-12-22	上午(夏令时)	08:00	11:30	07:53	11:33
17	陈荣富	2016-12-22	下午(夏令时)	12:30	17:00	12:24	17:09
17	陈荣富	2016-12-23	上午(夏令时)	08:00	11:30	07:57	11:36
17	陈荣富	2016-12-23	下午(夏令时)	12:30	17:00	12:21	17:07
17	陈荣富	2016-12-24	上午(夏令时)	08:00	11:30	07:58	11:30
17	陈荣富	2016-12-24	下午(夏令时)	12:30	17:00	12:27	17:07
17	陈荣富	2016-12-25	上午(夏令时)	08:00	11:30	07:59	11:33
17	陈荣富	2016-12-25	下午(夏令时)	12:30	17:00	12:23	17:03
17	陈荣富	2016-12-27	上午(夏令时)	08:00	11:30	07:56	11:31
17	陈荣富	2016-12-27	下午(夏令时)	12:30	17:00	12:21	17:07
17	陈荣富	2016-12-27	休息(日)	18:00	20:00	17:53	20:04
17	陈荣富	2016-12-28	上午(夏令时)	08:00	11:30	07:54	11:30
17	陈荣富	2016-12-28	下午(夏令时)	12:30	17:00	12:29	17:07
17	陈荣富	2016-12-28	休息(日)	18:00	20:00	17:59	20:05
17	陈荣富	2016-12-29	上午(夏令时)	08:00	11:30	07:50	11:34
17	陈荣富	2016-12-29	下午(夏令时)	12:30	17:00	12:24	17:00
17	陈荣富	2016-12-30	上午(夏令时)	08:00	11:30	07:59	11:31
17	陈荣富	2016-12-30	下午(夏令时)	12:30	17:00	12:28	17:05

Exceed monthly overtime

2. Wages and Benefits

Item No	Requirement	Result	Comments
5.1	Is there any evidence that the legal minimum wage is not paid for regular working hours? Please specify	Pass	Local legal minimum wage standard was 1660 / month (equal RMB 9.54 / hour) since 1-Nov-2015. The factory provided payrolls of Feb-2016 to Jan-2017 for all employees for review, and auditor sampled payroll records of 10 workers from Mar, Sep and Dec-2016 for review, and 100% employees were not less minimum wage (actual Min base wage was RMB 1943.04 / month or RMB 11.04 / hour). All workers were paid in hourly rate.
5.2	Are overtime hours paid with legal premium?	Pass	Overtime hours were paid with legal premium based on payroll records and workers interview. 150% of normal wages for weekdays 200% of normal wages for rest days Based on working hour records and workers interview, no holiday overtime in the factory.
5.3	Does the factory have written employment conditions on compensation, compensation methods and benefits that is communicated to and understood by all workers?	Pass	The factory have written employment conditions on compensation, and indicated on employee manual to all workers.
5.4	Is the payment paid at a reasonable and legal frequency (monthly), and in a form convenient for workers (cash, bank,)?	Pass	The payment was paid before 30th of the next month by cash based on payroll records and workers interview.
5.5	Do workers receive a pay slip to sign that has information that will allow them to confirm their wages and see all deductions and bonuses?	Pass	Based on workers interview, the workers received a pay slip to sign to confirm their wages.
5.6	Are deductions fair, reasonable and legal (such as social insurance or other tax)?	Pass	Only income tax for individual deduction was from workers' wages, and the deductions were fair, reasonable and legal.
5.7	Are all workers provided social insurance as per local legal requirements? If no, please specify what the percentage of employees without social insurance scheme is.	Major	The factory only provided social insurance including medical insurance, retirement insurance, unemployment insurance, maternity insurance and employment injury insurance for 5 out of 49 employees. The factory provided commercial insurance including accident and accident medical insurance (compensation amount: RMB 50000 for accident die or physical disability and RMB 5000 for accident medical for each worker) for 44 employees. That is to say, the factory did not provide social insurance including medical insurance, retirement insurance, unemployment insurance and maternity insurance for 44 employees.
5.8	Is maternity and paid leaves paid as per regulations?	Pass	Maternity and paid leaves were paid as per regulations based on payroll records and workers interview.
5.9	If deductions as disciplinary practices are used, are they falling under regulatory rules?	Pass	No deductions as disciplinary practices were used in the factory based on payroll records and workers interview.



Commercial insurance for the employees



Insufficient social insurance for employees

Special Remarks on this section

- 1, Payrolls and attendance records of past 12 months were provided for review.
- 2, All employees were paid as per local legal requirements and provided paid leaves.
- 3, The paid statutory holidays (e.g. maternity leave, annual leave, etc.) were provided for all employees.
- 4, No monetary deductions were identified during this factory visit.
- 5, One day off in seven was guaranteed, Max 2 hours overtime per day and Max 58 hours working time per week. **But excessive monthly overtime hours were identified.**
- 6, **Insufficient social insurance coverage for all employees was identified.**

Critical NC	Major NC	Minor NC	Score /10
0	1	1	8.7/10

Part 5 Labor Practices

1. Ability for Workers to be represented towards management

Item No	Requirement	Result	Comments
6.1	If applicable by Local Law, do workers have the right to join or for trade unions and bargain collectively, without interference of employer?	N/A	There was no trade union in factory, but per workers interview, workers were free to establish a trade union without interference of employer.
6.2	If there is no union, are there fair and effective parallel means to resolve grievances of workers (workers representatives,)?	Pass	There was 1 worker representative in factory, and factory provided worker representative control procedure, and provided worker representatives electing records for review, and the factory provided worker representatives meeting records for review.
6.3	Is there evidence that workers cannot efficiently communicate grievances to management out of direct supervisors?	Pass	There was suggestion box available in factory, and per workers interview, workers are free to express their complaint directly to factory management.

Picture(s)



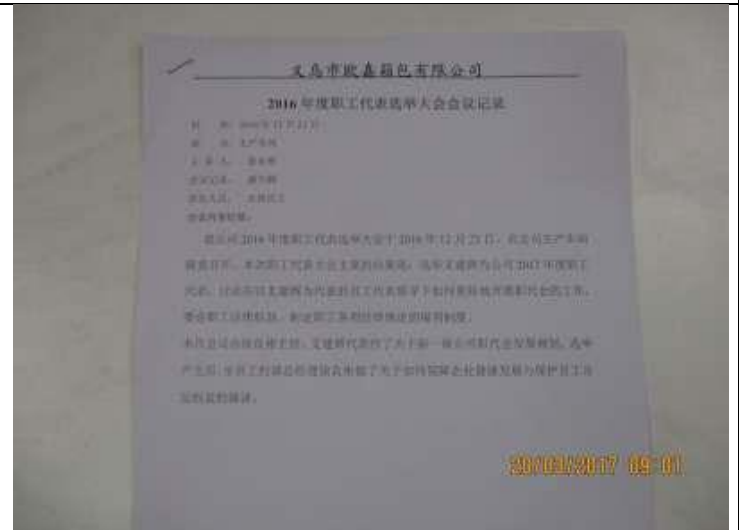
Suggestion box



Freedom policy



Worker representative electing records



Worker representative meeting records

2. Forced Labor

Item No	Requirement	Result	Comments
7.1	Is there evidence that work is conducted in voluntary basis, with no threat of penalty or sanctions, and the factory do not use forced, bonded or involuntary prison labor?	Pass	Employees' work is conducted in voluntary basis, with no threat of penalty or sanctions, and the factory did not use forced, bonded or involuntary prison labor.
7.2	Is there evidences that factory do not require workers to lodge deposits or original documents such as work permits/ID papers, cards, training certificates, etc.?	Pass	The factory only kept employees' copy of ID cards, copy of training certificates.
7.3	Are workers free to quit their jobs within the legal framework and without debts forcing them to continue working for the factory?	Pass	The workers were free to quit their jobs within the legal framework.
7.4	The factory doesn't withhold any part of workers salary or benefits in order to force such worker to continue working for the factory?	Pass	The factory paid salary and allowance to employees each month. The factory didn't withhold any part of workers salary or benefits.
7.5	Are workers allowed to leave the factory compound after work at any time and freely move about during a shift (attend to hygiene etc.)? If not, please specify.	Pass	All workers were allowed to leave the factory compound after work at any time and freely move during a shift.

Picture(s)




Nil

Anti-forced labor policy

3. Discrimination

Item No	Requirement	Result	Comments
8.1	Is non-discrimination guarantee in term of employment, promotion, compensation, welfare, dismissal and retirement, etc. within the company based on criteria of race, birth, religion, national or social origins, sex, family	Pass	No discrimination action was found in the factory.

	responsibilities, marital status, handicap, sexual orientation or political opinions?		
8.2	The factory doesn't insist on blood tests, pregnancy or virginity tests before hiring?	Pass	The factory did not require blood tests, pregnancy or virginity tests before hiring.
8.3	Is there a written anti-discrimination policy?	Pass	There was a written anti-discrimination policy.

Picture(s)	
	Nil
Anti-discrimination policy	Nil

4. Disciplinary Practices

Item No	Requirement	Result	Comments
9.1	Is mental / physical /sexual coercion forbidden and avoided in the factory? If not, please give details of the situation.	Pass	No mental / physical /sexual coercion action was found in the factory.
9.2	Does the factory have documented disciplinary rules that are clearly communicated to all workers?	Pass	The factory had documented disciplinary procedure that was clearly communicated to all workers.
9.3	Does the company keep a record of fines/disciplinary actions?	Pass	No fines/disciplinary actions were found in the factory.
9.4	Are the complaint and appeal methods defined and proved to be efficient?	Pass	The employees could express complaint through suggestion box.

Picture(s)	
	<p>Nil</p>
<p>Anti-disciplinary practices policy</p>	<p>Nil</p>

Special Remarks on this section

- 1, No violations about discrimination/forced labor/prison labor were identified.
- 2, No monetary deduction used as disciplinary practices were identified.

Critical NC	Major NC	Minor NC	Score /10
0	0	0	10/10

B. Employee's interview

Interview Nb	Dept.	Comments*
1	Sewing	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, appropriate PPE, regularly training and etc.
2	Packaging	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, regularly training and etc.
3	Sewing	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, appropriate PPE, regularly training and etc.
4	Sewing	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, appropriate PPE, regularly training and etc.
5	Packaging	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, regularly training and etc.
6-7-8	Chen Rong Fu Ding Xu Tang Wang Ying Zhao Xin Hong Li Zheng Hua	Satisfactory working environment, never delay paid, at least one day off every 7 days, signed labor contract, voluntary overtime, appropriate PPE, regularly training and etc.

*** Comments:**

During the interviews, if any data is found that contradicts findings of Audit Part A (such as: fake birth date or fake date of hire), the whole related section in Audit Part A must be scored 0. No details of employee's interviews are available in report in order to protect employee's confidentiality. It can provided upon request

C. Corrective Action Plan

Client	ATS audit	AI Service No	R-us7-1768617
Supplier	LONGFIELD-YIWU CITY OUJIA BAGS	Auditor(s)	Billy Huang
Factory	Yiwu City Oujia Bags Limited Company	Date	20-Mar-2017
Industry	Textile, Apparel, Footwear & Accessories	Country	China
Audit Type	Initial audit		

Item No	Result	Finding/Violation	Corrective Action	Factory estimated date for Completion
1.4	Major	<p>The factory working environment was tidy, clean, ventilation, comfortable temperature and decent lighting.</p> <p>The factory did not conduct Occupational Health Risk Assess of noise level in sewing workshops (based on on-site observation, loud noise was identified in sewing process).</p> <p>The factory did not provide Occupational Health Examination for the sewing workers.</p> <p>没有实施职业健康风险监测，也没有提供职业健康体检给缝纫工</p>	<p>The factory should conduct Occupational Health Risk Assess of noise level in sewing workshops, and keep all reports in place.</p> <p>The factory should provide free charge of Occupational Health Examination for the sewing workers.</p>	20-Apr-2017
1.12	Minor	<p>Based on factory tour, there were 4 seating for women, 4 seating for men of toilets, ventilation and separated by gender.</p> <p>But the toilets were not clean.</p> <p>工厂卫生间不干净</p>	<p>The factory should clean the toilets regularly.</p>	20-Jun-2017
1.22	Minor	<p>Based on factory tour, no smoke detectors and sprinklers were installed in all workshops and warehouses (no law requirement).</p> <p>工厂车间和仓库没有安装烟感和喷淋系统</p>	<p>Smoke detectors and sprinklers should be installed in all workshops and warehouses.</p>	20-Jun-2017
1.24	Major	<p>Safeguards were installed for the belts of mass sewing machines.</p> <p>But auditor found no safeguards were installed for the needles of all sewing machines and the belts of 12 sets sewing machines in sewing workshop.</p> <p>发现 12 台缝纫机皮带没有安全防护，所有缝纫机针没有安全防护</p>	<p>Safeguards should be installed for the needles and belts of all sewing machines in sewing workshop.</p>	20-Apr-2017
1.27	Major	<p>Based on on-site observation, the written instructions were established and posted for the operators of machinery in workshops during audit.</p> <p>The warning signs were not established and posted for the operators of machinery in workshops during audit.</p> <p>车间没有设备安全操作警示语</p>	<p>The warning signs should be established and posted for the operators of machinery in workshops.</p>	20-Apr-2017

2.4	Minor	<p>The factory established wastes control procedure in place, and all solid wastes were recycled by local environmental station, and no contamination was identified on site.</p> <p>The factory did not inventory records of all solid wastes including kind, sources and quantities.</p> <p>工厂没有建立固废台账</p>	<p>The factory should inventory records of all solid wastes including kind, sources and quantities.</p>	20-Jun-2017
2.5	Minor	<p>Based on on-site observation, all wastes were stored in the factory, and the storage condition was adequate to prevent contamination.</p> <p>But no adequately separation recyclable from non-recyclable wastes was maintained in the factory.</p> <p>可回收垃圾和不可回收垃圾没有区分处理</p>	<p>Non-recyclable wastes should be separated adequately in the factory.</p>	20-Jun-2017
2.15	Minor	<p>The factory did not conduct air quality yearly monitoring for environment impact. (No industry waste air emission was identified in the factory.)</p> <p>工厂没有实施年度空气环境影响评估</p>	<p>The factory should conduct air quality yearly monitoring for environment impact and keep reports in place.</p>	20-Jun-2017
2.17	Major	<p>The factory did not conduct noise level yearly monitoring for environment impact. (Based on on-site observation, loud noise level was identified for sewing process in the factory.)</p> <p>工厂没有实施年度噪音环境影响评估</p>	<p>The factory should conduct noise level yearly monitoring for environment impact and keep reports in place.</p>	20-Apr-2017
4.1	Minor	<p>The factory provided working hour records from 1-Feb-2016 to 19-Mar-2017 for all employees for review, and auditor sampled working time records of 10 workers from Mar-2016, Sep and Dec-2016 for review, and workers' overtime hours were 0~2 hours per day, 0~18 hours per week.</p> <p>No inconsistency was identified during audit.</p> <p>But Overtime 48 to 56 hours per month (>36 hours per month from PRC Labor Law) for Mar-2016, Sep and Dec-2016 for all sampled workers were identified based on working hour records during audit.</p> <p>月加班超时</p>	<p>The factory should ensure monthly overtime not exceed 36 hours for all employees.</p>	20-Jun-2017
5.7	Major	<p>The factory only provided social insurance including medical insurance, retirement insurance, unemployment insurance, maternity insurance and employment injury insurance for 5 out of 49 employees.</p> <p>The factory provided commercial insurance including accident and accident medical insurance (compensation amount: RMB 50000 for accident die or</p>	<p>The factory should provide 5 type social insurances for all employees.</p>	20-Apr-2017

	<p>physical disability and RMB 5000 for accident medical for each worker) for 44 employees.</p> <p>That is to say, the factory did not provide social insurance including medical insurance, retirement insurance, unemployment insurance and maternity insurance for 44 employees.</p> <p>工厂仅提供社保 5 险给少部分员工</p>		
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Asia Inspection maximum suggested timings for implementation of Corrective Actions are:

- 7 Days to submit Action Plan + 30 Days to book a follow-up audit for Critical NCs
- Audit date + 30 days for Major NCs
- Audit date + 90 days for Minor NCs

IMPORTANT NOTES

THE ABOVE RESULT(S) REFLECT(S) ASIANSPECTION LIMITED'S FINDINGS AT THE TIME AND PLACE OF AUDIT.

WITH REGARD TO THE RANDOM SAMPLE CHARACTER OF THE AUDIT, IT SHOULD BE NOTED THAT ADDITIONAL NONCONFORMITIES MAY EXIST, WHICH WERE NOT FOUND DURING THE AUDIT.

THE AUDITOR'S FINDINGS DO NOT RELIEVE THE AUDITEE OF ITS RESPONSIBILITY TO ENSURE THAT THE REQUIREMENTS OF THE STANDARD ARE FULFILLED AND CONSTANTLY ADHERED TO.

Factory Disclaimer



Original signature of the Factory Representative accepting AsiaInspection policy including bribery issues.

Confirmation of Compliance with AI Code of Conduct

The form is titled "Confirmation of Compliance with AI Code of Conduct" and includes the PAI logo and "Your Eyes in the Factory" slogan. It contains a table with 5 rows for compliance checks, a signature section with a red circular stamp, and contact information for complaint and workers hotlines. A vertical yellow stamp on the left side of the form reads "20/03/2017 16:01".

1. 廠內所有人員均接受過 AI 代碼行為守則之培訓。	OK	OK 沒有發現問題
2. 廠內所有人員均接受過 AI 代碼行為守則之培訓。	OK	OK 沒有發現問題
3. 廠內所有人員均接受過 AI 代碼行為守則之培訓，且所有人員均能理解其內容。	MS	OK 沒有發現問題
4. 廠內所有人員均接受過 AI 代碼行為守則之培訓，且所有人員均能理解其內容。	MS	OK 沒有發現問題
5. 廠內所有人員均接受過 AI 代碼行為守則之培訓，且所有人員均能理解其內容。	MS	OK 沒有發現問題

Signature: *Billy Huang* Date: 2017-3-20 16:00

Complaint Hotline (投訴電話): China +86-755-2223-9083 India +91 11 4672 3304
Workers Hotline: China +86-188-2655-7090 India +91 11 4672 3304

Original signature of the Factory Representative confirming that auditor respected AI Code of Conduct.

Corrective Action Plan

C. Corrective Action Plan

Model: ATS audit
Client: LONGFIELD-YWU CITY GUAA BAGS
Company: YWU City Guja Bags Limited
Industry: Bags
Country: China
Address: Initial
Ref: R-1127-1708017
Auditor: Billy Huang
Date: 20-Mar-2017

Site No.	Result	Finding/Violation	Corrective Action	Factory estimated date for Completion
1.1	Major	The factory working environment was hot, clean, ventilation, comfortable temperature and pleasant lighting. The factory did not conduct Occupational Health Risk Assess of noise level in sewing workshops (based on on-site observation, loud noise was identified in sewing process). The factory did not provide Occupational Health Examination for the sewing workers.	The factory should conduct Occupational Health Risk Assess of noise level in sewing workshops, and keep all reports in place. The factory should provide free charge of Occupational Health Examination for the sewing workers.	20-Apr-2017
1.03	Minor	Based on factory floor, there were a cooling fan workers, 4 cooling fan were broken, ventilation and separated by gender. But the filters were not clean.	The fans should be clean the filters.	20-Apr-2017
1.02	Minor	Based on factory floor, no safety detectors and operators were installed all workshope and workshope (no law requirement).	Safety detectors and operators should be installed in all workshope and workshope.	20-Apr-2017
1.24	Major	Safeguards were installed for the belts of three sewing machines. But auditors found no safeguards were installed for the needles of all sewing machines and the belts of 12 sets sewing machines in sewing workshop.	Safeguards should be installed for the needles and belts of all sewing machines in sewing workshop.	20-Apr-2017


1.27	Major	Based on on-site observation, the warning instructions were established and posted for the operators of machines in workshope during work. The warning signs were not established and posted for the operators of machinery in workshope during audit.	The warning signs should be established and posted for the operators of machinery in workshope.	20-Apr-2017
1.4	Minor	The factory established water recored procedure in place, and all used wastes were recycled by local environmental station, and no contamination was identified on site. The factory did not inventory records of all used wastes including kind, source and quantities.	The factory should inventory records of all used wastes including kind, source and quantities.	20-Apr-2017
1.5	Minor	Based on on-site observation, all wastes were stored in the factory, and the storage condition was adequate to prevent contamination. But no adequately separation compatible from non-compatible wastes was maintained in the factory.	Non-compatible wastes should be separated adequately in the factory.	20-Apr-2017
1.05	Minor	The factory did not conduct air quality weekly monitoring for environment impact. The industry water air monitor was identified in the factory.	The factory should conduct air quality weekly monitoring for environment impact.	20-Apr-2017
1.07	Major	The factory did not conduct noise level weekly monitoring for environment impact. Based on on-site observation, loud noise level was identified for sewing process in the factory.	The factory should conduct noise level weekly monitoring for environment impact and keep reports in place.	20-Apr-2017
4.1	Minor	The factory provided working hour records from 1 Feb-2016 to 20-Mar-2017 for all employees for review, and auditors sampled working time records of 20 workers from Mar-2016, Sep and Dec-2016 for review, and workers' overtime hours were 0-12 hours per day, 0-18 hours per week. No overcapacity was identified.	The factory should ensure monthly overtime not exceed 36 hours for all employees.	20-Apr-2017

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		audit. But Overtime 48 to 56 hours per month (>36 hours per month from PRC Labor Law) for Mar-2016, Sep and Dec-2016 for all sampled workers were identified based on working hour records during audit. 月加班超48时		
5.7	Major	The factory only provided social insurance including medical insurance, retirement insurance, unemployment insurance, maternity insurance and employment injury insurance for 5 out of 49 employees. The factory provided commercial insurance including accident and accident medical insurance (compensation amount: RMB 50000 for accident die or physical disability and RMB 5000 for accident medical for each worker) for 44 employees. That is to say, the factory did not provide social insurance including medical insurance, retirement insurance, unemployment insurance and maternity insurance for 44 employees. 工厂仅提供社保 5 险给少部分员工。	The factory should provide 5 type social insurances for all employees.	20-Apr-2017

AI Auditor: Billy Huang
Date: 20-Mar-2017

Factory Rep:
Date: 20-Mar-2017



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Original signature of the Factory Representative agreeing with the Audit Findings and Corrective Action Plan defined.

END