



Date: November 28, 2019  
 Audit Company: AQM

Dear Sir, Madam,

We have conducted an ICS Social audit on behalf of: FASHION3

**Supplier:** Saratex

**Factory:** GUANGZHOU Yilan Leather CO.,LTD

**Factory location:** No. 2, Gegang Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China  
 Guangzhou China

**Audit Date:** November 28, 2019

Referring to ICS member audit scoring standards, the following results has been observed :

AUDIT SUMMARY	Rating		Best Practices	Rating of Previous Audit	AN
	%	Code			
0. Management System, Transparency and Traceability	82%	B		0	NO
1. Minimum age, Child labour and Young workers	100%	A		0	NO
2. Forced labour	100%	A		0	NO
3. Discrimination	100%	A		0	NO
4. Disciplinary Practices, Harassment and Abuse	100%	A		0	NO
5. Freedom of association and Grievance Mechanisms	100%	A		0	NO
6. Working hours and Overtime	44%	D		0	NO
7. Remuneration and Benefits	86%	B		0	NO
8. Health and Safety	91%	B		0	NO
<b>RATING</b> (Automatic calculation)	<b>89%</b>	<b>B</b>		0	



## CORRECTIVE ACTION PLAN

<b>Factory Name</b>	GUANGZHOU Yilan Leather CO.,LTD	<b>Business License</b>	91440101MA59EG59XB		
<b>Factory Location</b>	No. 2, Gegang Road, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, China		<b>Type of Audit</b>	INITIAL	
	Guangzhou	China	<b>Audit Company</b>	AQM	
<b>Audit First Day</b>	11/28/19	<b>Audit Last Day</b>	11/28/19	<b>Last Target Date</b>	10/28/2020

SECTION TITLE/NO	NON CONFORMITY / BEST PRACTICE	RECOMMENDED CORRECTIVE ACTION	TARGET DATE	RESPONSIBLE	COMMENTS OF THE FACTORY REPRESENTATIVE	COMMENTS OF PRINCIPAL
<b>0. MANAGEMENT SYSTEM, TRANSPARENCY AND TRACEABILITY</b>						
0.3	<p>The factory did not maintain a detailed inventory of the waste types and quantities generated on-site. 工厂没有提供废物清单。</p> <p>According to ICS Code of conduct, Management System 1 b , all the company's sales and management activity is carried out transparently and correctly recorded in the company's registers.</p>	<p>The factory should provide the requested documents for review.</p> <p>工厂应该提供所要求的文件查看。</p>	12/30/2019	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	
0.6	<p>The facility had not annually review and modify facility policies. The last update was in 2017. 工厂没有年度审阅和更新工厂的程序文件。</p> <p>In accordance with ICS Code of Conduct, section of Management System 1 b, all the company's sales and management activity is carried out transparently and correctly recorded in the company's registers.</p>	<p>The facility should annually review and modify facility policies..工厂应该年度审阅和更新工厂的程序文件。</p>	12/30/2019	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	
<b>6. WORKING HOURS AND OVERTIME</b>						
6.6 Critical	<p>The monthly overtime hours of 8 out of 8 workers were 38 hours in September 2019; 8 out of 8 workers were 38-40 hours in April 2019; 8 out of 8 workers were 48 hours in November 2018.</p> <p>抽取的8名员工有8名在2019年9月加班38小时；抽取的8名员工有8名在2019年3月加班38-40小时；抽取的8名员工有8名在2018年11月加班48小时。</p> <p>In accordance with the PRC Labor Law 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.</p>	<p>The facility should reduce the overtime hours to ensure it is within 36 hours per month.</p> <p>企业应该减少加班以便使加班控制在每月36小时。</p>	10/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	
6.7	<p>The weekly overtime hours of 8 out of 8 randomly selected workers were over 8 hours, the max weekly overtime hours was 12 hours.抽取的8名员工中的8名员工周加班超过8小时，最大的周加班为12个小时。</p> <p>In accordance with ICS Code of Conduct, section of working hours, 3. 3. Overtime shall be voluntary and shall not exceed 8 (eight) hours per week and shall not be requested on a regular basis.</p>	<p>The facility should ensure all employees working overtime within 8 hours per week in compliance with ILO standards.</p> <p>企业应该确保所有员工每周加班8小时以符合ILO标准。</p>	10/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	
<b>7. REMUNERATION AND BENEFITS</b>						



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7.16	<p>It was noted that a total of 98 employees were eligible to receive five types of social insurances in November 2019 according to the law. However, through review of social insurance enrollment list, 23 employees were enrolled in pension insurance, unemployment insurance; occupational injury insurance; medical insurance and child-bearing insurance (Remark: the factory had provide a commercial accident insurance for all workers who did not enroll in social insurance.).在此次审核过程中, 审核员发现在98名符合参保条件的员工中, 23名员工参加了养老保险, 失业保险; 工伤保险, 生育保险和医疗保险(工厂给所有员工都提供了商业意外险)。</p> <p>In accordance with Article 72 of China Labor Law: The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.</p> <p>Article 73: Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: (1) retirement; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) child-bearing.</p>	<p>It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurances schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.建议工厂确保所有的员工都参加上述提到的5种社会保险计划, 从而根据法律的规定让员工享受相关法定福利。如果员工存在不愿意参加社会保险的情形, 工厂应向员工提供相关培训以让其了解参加社会保险的重要性。</p>	10/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	
<b>8. HEALTH AND SAFETY</b>						
8.6	<p>The facility did not conduct a risk assessment at least once per year to identify health and safety that include fire safety. The last assessment was IN 2017.工厂没有每年至少一次风险评估来识别健康和安, 包括消防安全。</p> <p>In accordance with ICS Code of Conduct, section of Management System 1 b, all the company's sales and management activity is carried out transparently and correctly recorded in the company's registers.</p>	<p>The facility should conduct a risk assessment at least once per year to identify health and safety that include fire safety.工厂每年至少一次风险评估来识别健康和安, 包括消防安全。</p>	1/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly.我们会采取相应的改善措施。	



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8.34	<p>There were one emergency exits were used rolling doors in 1/F of the production building, the door was kept open with a lock device during the factory tour. 生产楼有1个紧急出口使用卷帘门，在上班时间是打开的且有使用固定装置。</p> <p>In accordance with Fire Safety of Building Design Regulation (GB50016-2014) article 6.4.11, evacuation doors in the building shall conform to the following requirements: 1. Evacuation doors of civil buildings and factory buildings shall be flush doors and opened to the direction of evacuation, shall not use pulling and pushing doors, rolling doors, hanging doors and revolving doors. Except factory buildings of class A and B, those rooms that contain no more than 60 persons in a room and the average evacuation capacity for each door of the rooms is not more than 30 persons there is no limitation in opening direction of the doors.</p>	<p>It is recommended that the factory should identify the requirements related to the emergency doors, provide proper fire safety training to workers, conduct regular health &amp; safety inspection, re-install related doors. 建议工厂了解相关的疏散出口门安装要求，给相关工人提供消防安全培训，进行定期健康安全检查，重新安装相关疏散出口门。</p>	1/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly. 我们会采取相应的改善措施。	
8.68	<p>The factory did not maintain a detailed inventory of the waste types and quantities generated on-site. 工厂没有提供废物清单。</p> <p>In accordance with ICS Code of Conduct, section of Health and Safety 1, the supplier shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.</p>	<p>The factory should maintain a detailed inventory of the waste types and quantities generated on-site. 工厂应该提供废物清单。</p>	1/28/2020	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly. 我们会采取相应的改善措施。	
8.75	<p>It was noted that the factory had provided the personal protective equipment such as gloves to it's worker. However, about 4 workers did not use them properly in gluing section. 在此次审核过程中，审核员发现工厂给工人提供了个人劳动防护用品如手套，但4名的台面的工人没有正确的佩戴。</p> <p>In accordance with PRC Safety Manufacturing Law article 54, during operations, employees of a business entity shall strictly comply with the business entity's work safety rules and operating procedures, obey management, and correctly wear and use labor protection products.</p>	<p>It is recommended that the factory should supervise and train employees to properly wear and use the personal protective equipment. Factory shall develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury. 建议工厂应监督和教育工人正确佩戴和使用个人劳动防护用品，工厂应建立劳动防护用品方案以保护工人预防工作场所伤害。</p>	12/30/2019	Mr. Xiang Shengyin / Factory Manager	We will take action accordingly. 我们会采取相应的改善措施。	

A closing meeting has been undertaken and corrective actions were discussed and agreed:

Length of the closing meeting (in minutes):	20 minutes
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Auditor Name:	April Qiu	Factory representative name:	Mr. Xiang Shengyin	Principal representative:	Mr. Xiao Guangguo
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	Position	Factory Manager		representative:		
Date:	11/28/2019	Date:	11/28/2019	Date:	11/28/2019	
Signature:	Signature:			Signature:		

Please detail how information will be communicated to workers' representatives and/or trade union representatives:  
 The worker's representative had attend the opening meeting and closing meeting.