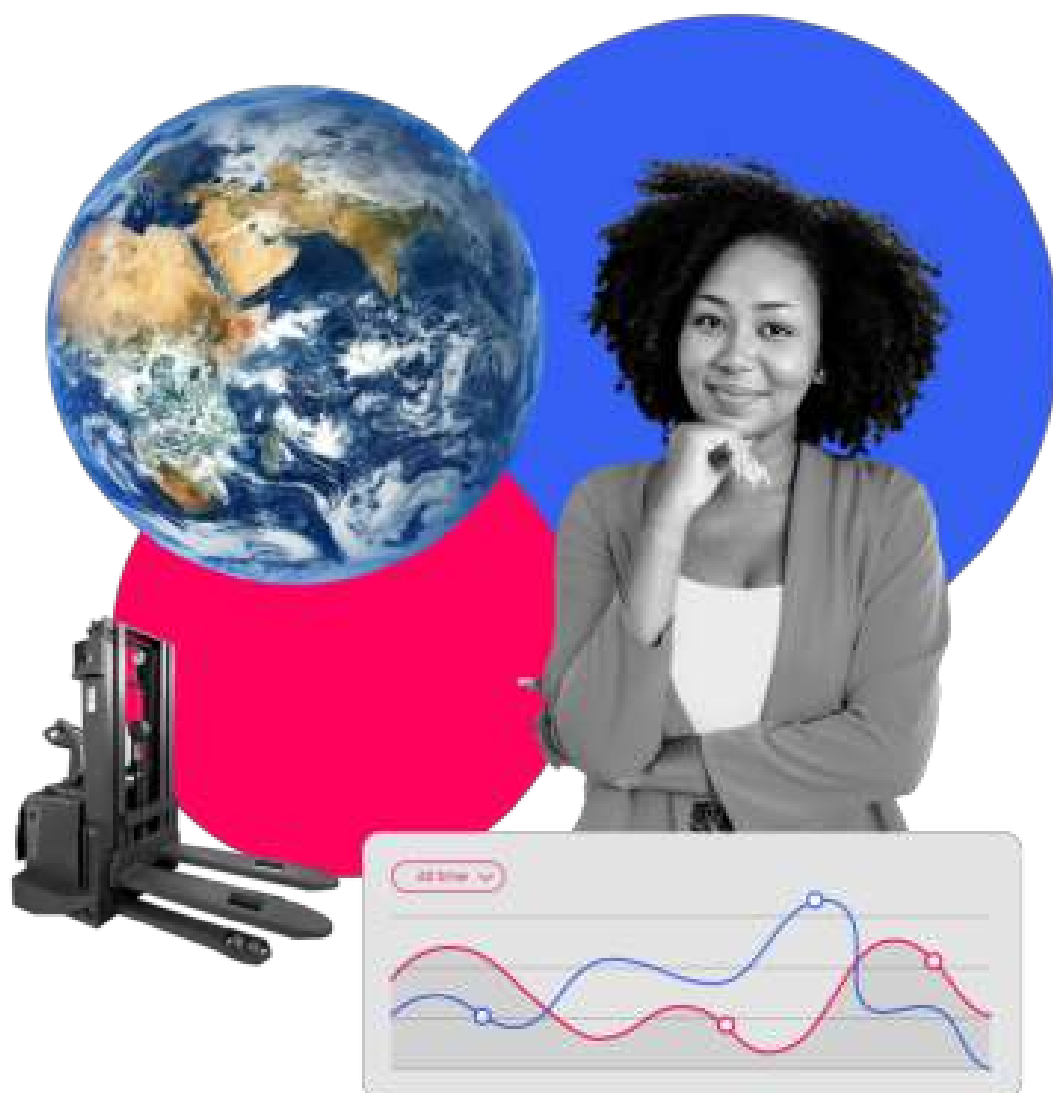


# Sedex Members Ethical Trade Audit Report

Version 7



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## Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

### Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
  - 0: Enabling accurate Assessment
  - 1: Employment is Freely Chosen
  - 1.A: Responsible Recruitment & Entitlement to Work
  - 2: Freedom of Association and Right to Collective Bargaining are Respected
  - 4: Child Labour Shall Not be Used
  - 5: Legal Wages are Paid
  - 5.A: Living Wages are Paid
  - 6: Working Hours are Not Excessive
  - 7: No Discrimination is Practiced
  - 8: Regular Employment is Provided
  - 8.A: Sub-contracting and Homeworkers are Used Responsibly
  - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
  - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
  - 10.A: Environment 2-Pillar

### Included in a 4-Pillar audit:

1. Labour Standards Code Areas
  - As 2-pillar
2. Health & Safety Code Area
  - As 2-pillar
3. Environment Code Area:
  - 10.A: Environment 2-Pillar
  - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
  - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

# Audit and site details

## Audit details

<b>Sedex company reference</b>	ZC5000025876	<b>Auditor company name</b>	BUREAU VERITAS CPS - ASIA
<b>Date of audit</b>	2025-03-31	<b>Audit conducted by</b>	Sedex member
<b>Audit pillars</b>	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

<b>Sedex site reference</b>	ZS1000029930	<b>Site name</b>	YANGZHOU NEW CHUNTAO ACCESSORY CO LTD
<b>Business name</b>	YANGZHOU NEW CHUNTAO ACCESSORY CO LTD	<b>Site address</b>	225000 No. 9, Yi ju Road, Chahe Street, Hanjiang District, Yangzhou, Yangzhou, CN
<b>Site phone</b>	13852576002	<b>Site email</b>	chuntao@cap-empire.com

## Audit parameters

Time in and out	Day 1		Day 2	
	In	09:00	In	09:00
	Out	17:00	Out	13:00
Audit type	Periodic			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Ms. Zhang Chen / Admin clerk			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

# Audit attendance

	Senior management	Worker representative	Union representative
<b>A: Present at the opening meeting?</b>	Yes	Yes	No
<b>B: Present at the audit?</b>	Yes	Yes	No
<b>C: Present at the closing meeting?</b>	Yes	Yes	No
<b>Reason for absence at the opening meeting</b>	No union in the factory.		
<b>Reason for absence during the audit</b>	No union in the factory.		
<b>Reason for absence at the closing meeting</b>	No union in the factory.		

# SMETA declaration

## Auditor team

<b>SMETA declaration</b>	<p>I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.</p> <ol style="list-style-type: none"> <li>1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.</li> <li>2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.</li> </ol> <p>This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.</p>		
<b>Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)</b>	The semi-announced window of this audit is 4 weeks from Mar 21, 2025 to April 18, 2025		
<b>Lead auditor</b>	Christopher Luo	<b>APSCA Number</b>	21705045
<b>Additional auditor</b>			
<b>Date of declaration</b>	2025-04-01		

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## Site representation

<b>Declaration</b>	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
<b>Full name</b>	Ms. Zhang Chen
<b>Title</b>	Admin clerk
<b>Date of declaration</b>	2025-04-01

## Summary of findings

Code area	Workplace requirement	Local law	Finding
<b>3. Working conditions are safe and hygienic</b>	3.M Ensure all machinery is installed, mainta...	§1	NC <a href="#">ZAF600863627</a>
	3.A Ensure a safe working environment. Put in...	§2	NC <a href="#">ZAF600863628</a>
	3.N Maintain a log of all hazardous substance...	§3	NC <a href="#">ZAF600877479</a>
	3.R Provide clean and secure toilets, wash ar...	§4	NC <a href="#">ZAF600877480</a>
<b>5. Legal wages are paid</b>	5.B Ensure that workers receive the insurance...	§5	NC <a href="#">ZAF600863629</a>
<b>6. Working hours are not excessive</b>	6.F Ensure that where overtime is used, it is...	§6	NC <a href="#">ZAF600863631</a>




































## Local law issues


§1	<p>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.</p>
§2	<p>In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.</p> <p>The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contracts signed with the laborers that haven't gone through the occupational health examination before they leave their posts.</p> <p>The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.</p>
§3	<p>In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.</p> <p>根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。</p>
§4	<p>In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.</p> <p>根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</p>
§5	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.</p> <p>The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p>


S6


In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.


# Management systems

















	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				


 Not addressed


 Fundamental improvements required

 Some improvements recommended


 Robust management systems

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly				
9. No harsh or inhumane treatment is allowed				
10.A. Environment 2-Pillar				
10.C. Business ethics				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

# Site details

## Company and site details

Sedex company reference	ZC5000025876	
Sedex site reference	ZS1000029930	
Company name	YANGZHOU NEW CHUNTAO ACCESSORY CO LTD	
Business ownership type	GOODS	
Site name	YANGZHOU NEW CHUNTAO ACCESSORY CO LTD	
Site name in local language		
GPS location	GPS address	YANGZHOU NEW CHUNTAO ACCESSORY CO LTD was registered at No.9, Yi ju Road, Chahe Street, Hanjiang District, Yangzhou. The factory was established on 18 July 2023. The factory used one 4-storey production and office combined building, one 2-storey canteen building. Total construction areas used by the factory were around 3700 square meters. Two flat buildings were rented to Yangzhou Runtong International Trade Co., Ltd. and one flat warehouse building were rented to Yangzhou Sanwan Metal Technology Co., Ltd. Through factory tour, document review and interview, these factories had independent business licenses, employees and production area.
	Coordinates	Latitude: N 32°16'56" Longitude: E 119°22'31"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Lv Yuping
	Job title	HR
	Phone number	13852576002
	Email	chuntao@cap-empire.com

## Company and site details

### Applicable business and other legally required business license numbers and documents

Business licence NO: 91321003MACQAXMN5F Valid from 18 July 2023 to long term.  
Fire Protection Acceptance Check is dated on June 13, 2001 (No. 089)  
Certificate of Inspection for Completed Building Construction Projects is dated on October 22, 2001.

## Site activities

### Site function

Factory Processing/Manufacturer

### Site activities

#### Primary

Manufacture of wearing apparel (clothing), except fur apparel

#### Secondary

#### Other

### Product type

The factory specializes in the manufacture of caps.

### Process overview

The main processes in factory are cutting, sewing, heat transfer printing, embroidering, ironing, inspection and packing. There was 1 production line. The main equipment used in the factory were sewing machines.

### What level of mechanization best describes the work at this site?

Fair mechanisation / manual Labour

## Site scope

### Is the audited site a physically continuous area?

Yes

### What is the area of audited site to its boundary?

3700m<sup>2</sup>

### Building 1

#### Last construction works on site

2001

#### If building is shared, provide details

Not shared

#### Number of floors

4

#### Description of floor activities

1F: Cutting, printing, embroidering and packing  
2F: Cutting and sampling  
3F: Sewing  
4F: Office

## Site scope

<b>Building 2</b>	<b>Last construction works on site</b>	2001
	<b>If building is shared, provide details</b>	Not shared
	<b>Number of floors</b>	2
	<b>Description of floor activities</b>	1F: Canteen 2F: Idle

Is there any difference between the site scope of the audit and the Sedex site profile? No

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? No

Is any activity conducted onsite not included within the scope of the audit? No

## Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not applicable  
Worker organise their own transport.

## Work patterns

<b>Approximate workers on site per month (% of peak)</b>	<b>January</b>	95-100%	<b>February</b>	95-100%
	<b>March</b>	95-100%	<b>April</b>	95-100%
	<b>May</b>	95-100%	<b>June</b>	95-100%
	<b>July</b>	95-100%	<b>August</b>	95-100%
	<b>September</b>	95-100%	<b>October</b>	95-100%
	<b>November</b>	95-100%	<b>December</b>	95-100%

## Work patterns

Is there any night or back shift work at the site? No

## Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact? No

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? No  
The factory did not assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? No  
No Human Rights Impact Assessment (HRIA) was conducted within the last three years at this site.

# Worker analysis

Gender disaggregated data available

Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	8 (13.1%)	53 (86.9%)	- -	61 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	8 (13.1%)	53 (86.9%)	- -	61 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

\* % of total workforce

## Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	0 -	0 -	- -	0 (0%)
International migrant workers	0 -	0 -	- -	0 (0%)
<b>Total migrant workers</b>	<b>0 -</b>	<b>0 -</b>	<b>- -</b>	<b>0 (0%)</b>

\* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

No migrant worker in the factory.

## Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 -	0 -	- -	0 (0%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

\* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? No

Describe how this may vary during peak periods No peak season in the factory.

Please list the nationalities of all workers, with the three most common nationalities listed first Chinese

### Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	13%	87%	-	100%

## Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	0 -	0 -	- -	0 (0%)
Salaried workers	8 (13.1%)	53 (86.9%)	- -	61 (100%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	8 (13.1%)	53 (86.9%)	- -	61 (100%)
Other	0 -	0 -	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details

No other payment cycle.

## People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	2 (33.3%)	4 (66.7%)	- -	6
Administrative staff	2 (22.2%)	7 (77.8%)	- -	9

## Worker interview summary

Gender disaggregated data available      Men and women

Which methods of worker engagement were used?      Group interviews  
Individual interviews

### Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

Was the interview sample representative of all types of nationality and employment types of workers?      Yes

Was the interview sample representative of the gender composition of the workforce?      Yes

Number and size of group interviews      One group of 5 workers

Did workers understand the purpose of the audit?      Yes

Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?      Yes

Was there any indication that workers had been 'coached' in how they should respond to questions?      No

What was the general attitude of the workers towards their workplace?      Favorable

## Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) Nil, no complaint.
What did the workers like the most about working at this site?	Overtime Job security Pay
Additional comments	They got paid on time. Good working environment. Apart from the 10 workers interviewed listed in the worker analysis table, another 2 employees were interviewed for business ethics and 2 employees for environment as this is a 4-pillar audit.
Attitude of workers' committee/union representatives	Attitude of the worker representatives were favorable. They seemed to be simple, open and comfortable to express their views. They were satisfied with the factory in regard to the facilities provided to them, payments and the management's behavior.
Attitude of managers	During the opening meeting, auditor explained to the factory representative that the audit was to develop the partnership between the client and suppliers, scope of audit and the audit standard. After the opening meeting, factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs, a full audit was finished under the co-operation of the factory representative. During the closing meeting, auditor provided the factory representative a general overview and then explained the strengths, weaknesses and findings in factory. Also, auditor left a copy of signed SMETA Corrective Action Plan Report to factory. The factory representative agreed with all the findings and promised to make corrective actions as soon as possible.

## Workers interviewed by type

	Total
Permanent workers	10
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
<b>Total number of workers interviewed</b>	<b>10</b>

## Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	2	3	-	5
Workers interviewed individually	1	4	-	5

## Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	0	0	-	0
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2024)	2.0%	2.0%	-	4.0%
Previous full calendar year (2023)	2.0%	2.0%	-	4.0%

\* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

## Rate of absenteeism (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

\* Number of days lost through job absence in the year, calculated as (the 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\*100

Are accidents recorded?      Yes  
 Injury records were provided for review.

## Annual number of work related accidents and injuries (per 100 workers)\*

	Men	Women	Other	Total
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### Annual number of work related accidents and injuries (per 100 workers)\*

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

\* Calculated as (number of work related accidents and injuries \* 100) / number of total workers.

### Lost day work cases (per 100 workers)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

\* Calculated as (number of lost days due to work accidents and work related injuries \* 100) / number of total workers.

### Percentage of workers that work on average more than 48 standard hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

### Percentage of workers that work on average more than 60 standard hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%

Percentage of workers that work on average more than 60 standard hours in a given week

Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
<b>Systems and evidence examined to validate this code section</b>	<p>1. The auditor was given full access to all areas of the factory and was able to sample freely within the time period within scope. All required documents were provided for review. Per sampled payroll records, time records and production records such as material in and out warehouse records, daily production records, no inconsistency was found.</p> <p>2. The factory was cooperative with the audit and the factory did not offer any bribery to the auditor and did not threaten or induce the auditor to be dishonest.</p> <p>3. The factory provided accurate site information, which matched with the Sedex site profile declared prior to or during the audit.</p> <p>4. The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel. Ms. Lv Yuping/HR was responsible for implementing the human rights policy.</p> <p>Evidence examined:  Onsite observation;  Payroll records, time records;  Production records such as material in and out warehouse records, daily production records  Human Rights policy and procedure;  Training records;  Management and worker interview.</p>		

0. Enabling accurate assessment

## Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?

No

Did any workers selected by the auditor decline to be interviewed?

No

Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?

Yes

No agency or other subcontracted workers.

# 1. Employment is freely chosen

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p><b>Policies and procedures:</b> The policy and procedure regarding free choice of employment and no forced labor is established in the site. The policy is updated regularly and approved by the General Manager. The policy is included in the employees' handbook and can be accessed by all employees at any time.</p> <p><b>Resources:</b> The whole HR department in the site is responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.</p> <p><b>Training:</b> Related training is provided for both management and workers. Training records are provided for review. The workers are very clear about the requirements.</p> <p><b>Monitoring:</b> The site conducts internal audit regularly as self-monitoring and the implementation of free choice of employment is an important part in the internal audit. Per management interview, Ms. Lv Yuping/HR, confirms that she will monitor the implement of this issue and report it to the top management.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established policy of No Forced Labour, the contents were in line with ETI codes and local law's requirement. Local law requirements were trained to workers, workers were free to sign labour contracts with the factory. There was no forced, bonded or involuntary prison labour identified, which was confirmed with workers interview and onsite observation. According to interview with workers and management, overtime was voluntary and workers could choose work overtime or not freely. No money or certificate was withhold by factory management, they were free to move in workshops, and workers had the right to resign from the factory without punishment and deductions. Workers were not being restricted the movement area in workshop, and they were free to leave the factory after working hours.

Evidence examined:  
Factory policy on No Forced Labour;  
Employees' contacts;  
Employee handbook;  
Personal files with ID copies;  
Onsite observation;  
Resign records and payroll records;  
Management and worker interview.

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1. Employment is freely chosen

## Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
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Does the site utilise any workers who are prisoners?	No
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Does the site use the labour of persons required to work under any government scheme?	No
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# 1.A. Responsible recruitment and entitlement to work

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
<b>Explanation for management systems grades</b>	<p><b>Policies and procedures:</b> The policy and procedure regarding responsible recruitment and entitlement to work is in place. And the site establishes establishes the worker recruiting procedure to identify the hiring and management of all migrant workers and contracted workers.</p> <p><b>Resources:</b> The whole HR department in the site is responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.</p> <p><b>Training:</b> Related training is provided for both management and workers. Training records are provided for review. The workers are very clear about the requirements.</p> <p><b>Monitoring:</b> The site conducts internal audit regularly as self-monitoring and the implementation of responsible recruitment is an important part in the internal audit. Per management interview, Ms. Lv Yuping/HR, confirms that she will monitor the implement of this issue and report it to the top management regularly.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established worker recruiting procedure to identify the hiring and management of all migrant workers and contracted workers. The factory had signed the labour contracts with all sampled workers, which was confirmed through employee interview, workers were provided with one labour contract copy, and workers agreed with all contents. No agent worker, subcontracted worker or home worker used in the factory. During recruitment, the factory checked all workers ID card to verify their age and all workers' ID card copies were kept for review. Based on workers interview, they were all recruited by the factory directly, and they had signed labour contract with the factory and one copy was kept by themselves. No recruitment fee was required by the factory.

Evidence examined:  
Hiring and termination policy;  
Personal files;  
Labour contracts;  
Payroll records;  
Onsite observation;  
Workers interview and management interview.

## 1.A. Responsible recruitment and entitlement to work

### Data points

#### Labour hire

Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes?	Workers are recruited, selected, and hired directly by our company
How do the labour providers recruit and hire workers?	N/A - Recruitment providers not used
Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey?	0
Are there any subcontracted workers (including dispatched labour) on site?	No
Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview?	Not Applicable
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Not Applicable

#### Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	0%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	No

#### Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process? Not Applicable

Were recruitment fees or costs identified during worker interviews? No

No recruitment fees or costs should be paid by workers.

## 2. Freedom of association and right to collective bargaining are respected

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p><b>Policies and procedures:</b> A policy and procedure concerning Freedom of Association and the Right to Collective Bargaining is in place. The policy is updated regularly and approved by the General Manager. The policy is included in the employees' handbook and can be accessed by all employees at any time.</p> <p><b>Resources:</b> The site does not interfere with the establishment, functioning or administration of worker organization or collective bargaining. There is no union or collective bargaining agreement in the site. Worker representatives are freely elected by all employees including the production workers fairly and publicly. Ms. Lv Yuping/HR, is tasked with ensuring regular meetings with worker representatives to address concerns or provide updates. The meeting records are provided for review.</p> <p><b>Training:</b> The site has conducted abundant training including the topic of Freedom of Association and the Right to Collective Bargaining for all employees. And many kinds of communication channels for workers to raise concerns are established in the site. The workers are very clear about the requirements.</p> <p><b>Monitoring:</b> Per management interview, Ms. Lv Yuping/HR, confirms that she will monitor the implement of policy and procedure about freedom of association and report it to the top management regularly.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established a policy on freedom of association. The factory did not prohibit workers from establishing a trade union or worker committee, and there was no trade union in the factory. Worker representatives were free to communicate with workers and they were free to move in all workshops. Workers were free to raise suggestions and grievances to worker representatives and supervisors. There was no collective bargaining agreement in the factory, but workers were not restricted to conclude the agreement. The factory also provided a suggestion box for workers to raise grievance or suggestions privately.

Evidence examined:  
Site policy on freedom of association and work selection policy;  
Worker committee meeting records;  
Worker representatives election records;  
Worker representative interview;  
Suggestion records;  
Management interview and employee interview;  
Onsite observation.

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## 2. Freedom of association and right to collective bargaining are respected

### Data points

Are trade unions allowed by law in the national context? Yes

Are there any registered trade unions in the workplace? No

Are they active?

Does the employer recognise the trade union? Not Applicable

Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? Yes

Are the worker representatives freely elected by the workforce as a whole? Yes

Does union/worker committee membership reflect the gender composition of the workforce? Yes

Does the membership reflect the nationality composition of the workforce? Yes

Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? No

### 3. Working conditions are safe and hygienic

#### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>Policies and procedures: The site has a detailed health and safety policy which includes commitment to all the SMETA requirements, as well as key responsibilities and procedures by which it will be implemented. The site also has its own health and safety regulations and rules based on the legal requirements.</p> <p>Resources: OHS committee is established in the site. Mr. Chen Baozhu/EHS and Ms. Lv Yuping/HR, is tasked with ensuring the operation of OHS committee.</p> <p>Training: Periodical health and safety training to workers such as medical emergency treatment, fire safety issue, machine operation issue etc. are provided in the site. Fire drills are conducted at least twice per year. However, some health and safety issues were discovered during this audit. The effectiveness of training requires some improvement.</p> <p>Monitoring: The working environment and conditions in the site are safe and comfortable in general. Sufficient inspection for the evacuation passages, firefighting equipment, first aid kits etc. is conducted in the site. Legal construction safety documents such as House Property Certificate are provided for review. However, although the factory has established related procedures and policies. The monitoring of the implementation of these policies and procedures was not effectively carried out. And the management doesn't have effective action plan in place as remedy. Therefore, it requires some improvements to be made.</p>

#### Summary of findings

Code area	Workplace requirement	Local law	Finding
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<b>3. Working conditions are safe and hygienic</b>	3.M Ensure all machinery is installed, mainta...	§1	NC	<a href="#">ZAF600863627</a>
	3.A Ensure a safe working environment. Put in...	§2	NC	<a href="#">ZAF600863628</a>
	3.N Maintain a log of all hazardous substance...	§3	NC	<a href="#">ZAF600877479</a>
	3.R Provide clean and secure toilets, wash ar...	§4	NC	<a href="#">ZAF600877480</a>

**Systems and evidence examined to validate this code section**

The health and safety management system was established and related policies were collected.  
 Based on onsite observation, the working condition was comfortable with ventilation devices, lightings devices and adequate temperature.  
 Top management was appointed as health and safety representative. Two first aiders were available in the factory.  
 The factory posted the evacuation plans onsite, which indicated escape routes and the location of the fire facilities.  
 Emergency lights, exit signs, fire hydrant, fire extinguishers, and fire alarms were installed in each workshop, and inspected once per month.  
 Fire drills were conducted at least twice per year in the factory, all workers had participated in the drills, and the fire drills conducted in the past 12 month period was on June 25, 2024 and December 24, 2024.  
 Drinkable water was available in workshops, it was free of charge, and sufficient toilets were provided. Free first aid kit was available in workshops. Regular health and safety policy training was provided for all workers.  
 No accidents occurred in the past one year.  
 The factory obtained building construction certificate for production buildings.  
 Legal construction safety document was provided for review.

Evidence examined:  
 Health and safety policy and manual;  
 Health and safety Training records;  
 Fire facilities maintenance records;  
 Building construction report;  
 Fire drill records;  
 First aider certificates;  
 Accidents records;  
 Electrician certificate;  
 Health and safety responsible person appointment record;  
 Local laws collected by the factory;  
 H&S Management interview and employees interview;  
 Onsite observation.

# Findings: non-compliances

ZAF600863627

Non-compliance

Due 2024-05-18

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2025-04-01)\*

**Workplace requirement**

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

**Time given to resolve**

30 days

**Issue title**

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

**Verification method**

Desktop audit

**Description**

Corrected action taken. Needle guard installed  
工厂为所有的缝纫机安装针挡。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Description (carried over)**

It was noted that 1 out of 20 sampled sewing machines in the sewing workshop were not installed with needle guard.  
审核员发现缝制车间20台随机抽取的缝纫机有1台没有安装针挡。

**Corrective and preventative actions**

Corrected action taken. Needle guard installed  
工厂为所有的缝纫机安装针挡。

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards.  
建议工厂为所有的缝纫机安装针挡。

**Local law reference**

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

**Evidence**



[Corrected action taken. Needle guard installed.JPG](#)



\* PDF generated at 05:51 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF600863628**

**Non-compliance**

**Due 2024-05-18**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2025-04-01)\*

**Workplace requirement**

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

**Time given to resolve**

30 days

**Issue title**

317 - No medical examinations or regular occupational health checks, including disease checks, of workers in hazardous situations (e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

**Verification method**

Desktop audit

**Description**

Corrected action taken. Occupational health check provided  
工厂为在绣花车间的员工提供职业病体检。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Description (carried over)**

It was noted that the factory did not provide regular occupational health checks to employees in embroidering workshop who were in contact with noise.  
审核员发现工厂没有为在绣花车间接触噪音的员工提供定期的职业病体检。

**Corrective and preventative actions**

Corrected action taken. Occupational health check provided  
工厂为在绣花车间的员工提供职业病体检。

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all embroidering employees contacting noise.  
建议工厂给在绣花车间接触噪音的员工提供定期体检。

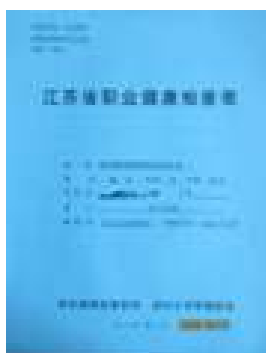
**Local law reference**

In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination.

The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts.

The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.

**Evidence**



[Corrected action taken. Occupational health check provided.JPG](#)



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**ZAF600877479**

**Non-compliance**

**Due 2025-06-08**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

### Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

### Issue title

230 - No material safety data sheet (MSDS) obtained/available

### Description

It was noted that no material safety data sheet for products (MSDS) was posted for the chemicals (e.g. machine oil) being used in the workshop.

审核员发现车间没有张贴使用的机油的化学品安全技术说明书(MSDS)。

### Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory.

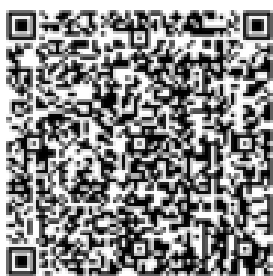
建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。

### Local law reference

In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.

根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康的资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。

### Evidence



[Photo evidence is not applicable in this case.pdf](#)



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ZAF600877480

Non-compliance

Due 2025-06-08

**Code area**

3 Working conditions are safe and hygienic

**Workplace requirement**

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

**Issue title**

327 - Storage of goods not in line with legal requirements (e.g. too high)

**Description**

It was noted that the gap between walls and goods were less than the legal requirement of 0.5 meters.  
 审核员发现工厂仓库货物与墙的间距小于法定0.5米的要求。

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that the width of gap between stacks and walls in the warehouse are in accordance with the legal requirement.  
 建议工厂确保仓库库存物品垛与墙的间距符合法律要求。

**Local law reference**

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.  
 根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。

**Evidence**



[NC. No gap between goods and wall.JPG](#) 

**Status**

Open\*

**Time given to resolve**

60 days

**Verification method**

Desktop audit

**Area of non-compliance/non-conformance**

Local law  
 Base code

\* PDF generated at 05:51 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No structural addition was noted.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

## 4. Child labour shall not be used

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met

Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures

Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures

Robust Management Systems

Monitor the effectiveness of procedures to meet policy and workplace requirements

Robust Management Systems

#### Explanation for management systems grades

**Policies and procedures:** The policy and procedure about child labour is established in the site. The site pays much attention to the child labour issue. The policy includes commitment to all the SMETA requirements, as well as key responsibilities and procedures by which it will be implemented.

**Resources:** Both HR department and production department in the site are responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.

**Training:** Relevant training about child labour is provided for all employees in the site. Sufficient training records are provided for review. All interview employees know that child labour is absolutely forbidden in the site. The workers are very clear about the requirements.

**Monitoring:** HR related officers are well of the recruitment process established by the site including robust age-verification mechanisms. They will check the ID strictly during the hiring process to ensure that no child labor is hired. No child labor is noted in the site with confirmation. The youngest employee is 31 years old.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

**Systems and evidence examined to validate this code section**

The factory established a policy that they would not employ and use any child labour under the age of 16 years old.  
The minimum work age was 16 years old in China.  
The child labour remediation action procedure was established.  
The factory had verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files for further verification.  
Workers personal files and name list were provided for review in this audit.  
According to document review, onsite observation and workers interview, the youngest worker was 31 years, no child labour and history child labour was identified.

Evidence examined:  
No child labour management policy;  
Latest name list of employees;  
Personal files with ID card copies;  
Management interview;  
HR staff interview;  
Worker interview;  
Onsite observation.

4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	31
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>Policies and procedures: The site had its own wages and benefits regulations and rules based on the legal requirements. Clear and sufficient information is available in the policy and procedure.</p> <p>Resources: Both HR department and production department in the site are responsible for the implementation. The production supervisors will communicate with the officer who is responsible for the wage issue regularly to ensure the wage is correct.</p> <p>Training: Relevant training is provided to the employees. All interviewed employees know about the wage calculation, benefit, legal minimum wage standard etc. However, findings regarding to "legal wages are paid" were discovered during this audit. The effectiveness of training requires some improvement.</p> <p>Monitoring: Internal audit is conducted in the site as self-monitoring. Wage issue is an important part of the internal audit. Cross-check for the employees' wages among different departments in the site is also conducted regularly and no inconsistencies is found. However, social insurance are not provided to all employees. The factory had corrective action plan for this issue and will correct it as soon as possible. However, the effectiveness of monitoring related issue requires fundamental improvement.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC <a href="#">ZAF600863629</a>

**Systems and evidence examined to validate this code section**

The factory established wage and benefit management policy, the content was in line with local law's requirement, and it was communicated to workers when they were recruited and annually.

The factory kept complete and accurate payroll records for review, the payroll records from March 2024 to February 2025 were saved.

10 samples from the random month April 2024, 10 samples from random month September 2024 and 10 samples from current month February 2025 were sampled respectively in this audit.

According to reviewing the payroll records and workers interview, no illegal wage deduction was made in the factory, and workers were paid at 10th of next month by bank transfer. Workers' wage was calculated by monthly rate.

All sampled workers were paid with minimum CNY 3100 per month, which was higher than the local minimum wage was CNY 2490 per month since January 1, 2024.

All sample workers were paid 150% and 200% of regular wages for their weekday and weekend overtime work. No statutory holiday overtime was noted.

According to the social insurance payment receipt provided by factory management, only 25 out of 78 employees were provided with pension, unemployment, maternity, medical and injury insurance in March 2025 (48 employees has reached retirement age). In addition, the factory provided commercial insurance for all employees valid from July 11, 2024 to July 10, 2025.

Resigned workers were paid on the day when they left the factory, no unreasonable wage was deducted.

**Evidence examined:**

Wage and benefit management policy;

Training records;

Local legal minimum wage documents;

Payroll records and attendance records;

Labour contracts for all employees (to examine agreed wage rates);

Payslips of all workers interviewed;

Onsite observation;

Workers interview.

# Findings: non-compliances

ZAF600863629

Non-compliance

Due 2024-06-17

## Code area

5 Legal wages are paid

## Status

Open\*

## Workplace requirement

5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.

## Time given to resolve

60 days

## Issue title

423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic

## Verification method

Follow up audit

## Description

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, only 25 out of 78 employees were provided with pension, unemployment, maternity, medical and injury insurance in March 2025 (48 employees has reached retirement age) . In addition, the factory provided commercial insurance for all employees valid from July 11, 2024 to July 10, 2025.

审核员发现工厂的社会保险覆盖不足。工厂在2025年3月为25/78名员工提供了养老、生育、失业、医疗和工伤保险(48名员工达到退休年龄)。另外,工厂为所有员工提供了商业险,有效期为2024年7月11日到2025年7月10日。

## Area of non-compliance/non-conformance

Local law  
Base code

## Description (carried over)

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 25 out of 81 employees including 47 retirees were provided with pension, medical, accident, unemployment and maternity insurance in March 2024.

Remark: The factory purchased commercial insurance for 68 employees within valid date.

审核员发现工厂的社会保险覆盖不足。根据厂方提供的[2024年3月]社会保险缴费单据显示工厂仅为81名员工(包括47名退休人员)中的25名员工提供养老、医疗、工伤、失业和生育保险。

备注:工厂为68名员工购买了有效期内的商业保险。

## Corrective and preventative actions

It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

建议工厂为员工提供所有法定的社会保险福利。

## Corrective and preventative actions (carried over)

It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.

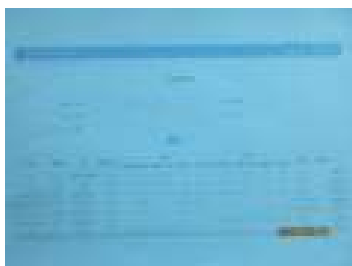
建议工厂为员工提供所有法定的社会保险福利。

## Local law reference

In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity.

The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

## Evidence



[NC. Insufficient Social insurance.JPG](#)



\* PDF generated at 05:51 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	The legal minimum wage Wages meet a living wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

### Worker remuneration

Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers?	Not applicable
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### Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	Non applicable
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0

Actual overtime hours	Max hours per day	2.0
	Max hours per week	14.0
	Max hours per month	54.0
Minimum legal wage	Min per hour	14.31
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2490.0
Actual minimum wage	Actual per hour	17.82
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	3100.0
Minimum legal overtime wage	Min per hour	21.47
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	26.72
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

## Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from the random month April 2024, 10 samples from random month September 2024 and 10 samples from current month February 2025
Are there different legal minimum/ legally recognised CBAs wage grades?	No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?

Above legal minimum

Indicate the breakdown of workforce per earnings

100% of workforce earning above minimum wage.

Are there any bonus schemes used?

No

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

## 5.A. Living wages are paid

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>The factory collected local decent living wage data manually. The factory collected information from workers investigation, and then calculated the data manually, which met the ILO living wage calculation standards. The assessed items included education, transportation, food, clothing, energy and water consumption, housing, unexpected events and savings, these items were the basic expenditure, and workers' total actual wage in each month was higher than the Living wage. Therefore no wage improvement plan is required currently. The information was also confirmed with workers interview.</p> <p>Evidence examined: Living wage record; Management and workers interview</p>		

## 6. Working hours are not excessive

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>Policies and procedures: The site has a detailed Working Hours policy which includes commitment to all the SMETA requirements, as well as key responsibilities and procedures by which it will be implemented.</p> <p>Resources: Ms. Lv Yuping/HR, is ultimately responsible for enforcing working hours compliance at the site and this is well defined. The HR department and production department will work together to ensure the working hours do not exceed the requirements.</p> <p>Training: Per document review, working hours-related training is conducted regularly for the employees. Even through both management and workers consider that the overtime hours are not much per interview. They still exceed the local limit. However, findings regarding to "Working hours are not excessive" were discovered during this audit. The effectiveness of training requires fundamental improvement.</p> <p>Monitoring: The number of overtime hours is monitored by the HR department. There is a mechanism in the electronic attendance and payroll system for monitoring the number of overtime hours and cost of overtime compensation. The HR department can easily access the data of overtime hours of workers. The factory had corrective action plan for this issue and will correct it as soon as possible. However, the effectiveness of monitoring related issue requires fundamental improvement.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC <a href="#">ZAF600863631</a>

**Systems and evidence examined to validate this code section**

The factory had established working hour and leave management policy, the content was in line with local law's requirement, regular training was provided for workers. The factory used fingerprint attendance system to record employees' working hours, the regular working hours were 8 hours per day and 5 days per week, and total 40 hours per week.

All production employees worked in 1 shift, it was from 07:30 to 11:30 and 13:00 to 17:00.

Auditor randomly selected 10 samples from the random month April 2024, 10 samples from random month September 2024 and 10 samples from current month February 2025.

The sampled attendance records indicated that the maximum overtime hours were 2 hours per day, 14 hours per week and 54 hours per month. The maximum weekly working hours were 54 hours, and the maximum consecutive working period was 6 days.

Interviewed workers indicated that they were satisfied with the working hours and could refuse overtime work without punishment. They were free to take leaves when necessary. Paid statutory holidays were provided, such as local festival leaves and annual leaves.

**Evidence examined:**

Working hour and leave management policies;

Employee interview;

Management interview;

Local and national laws documents;

Working hours records from attendance system;

Sampled attendance records from April 2024, September 2024 and February 2025;

Workers' contracts;

Warehouse records and production records to cross check working hours;

Leave records;

Resigned workers' attendance records;

Onsite observation.

# Findings: non-compliances

ZAF600863631

Non-compliance

Due 2024-06-17

## Code area

6 Working hours are not excessive

## Status

Open\*

## Workplace requirement

6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.

## Time given to resolve

60 days

## 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)

## Verification method

Follow up audit

## Area of non-compliance/non-conformance

Local law  
Base code

## Description

It was noted that 20 out of 30 sample population employees worked in excess of the statutory overtime hour limits.  
A review of the 30 sample population employees' time records (10 samples from the random month April 2024, 10 samples from random month September 2024 and 10 samples from current month February 2025) yielded the following:  
10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 52 hours) in April 2024, which was not in compliance with the legal requirement.  
10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 54 hours) in September 2024, which was not in compliance with the legal requirement.  
根据厂方提供的工时记录, 审核员发现员工加班时间超出了法定标准。  
审核员从厂方提供的工时记录中抽取30个样本(其中从随机月2024年4月抽取10个, 从随机月2024年9月抽取10个, 从最近月份2025年2月抽取10个), 发现共有20名员工有月加班超过36小时的情况, 具体为:  
• 10/10名员工在2024年4月的加班时间为52小时, 超过每月加班时间不能超过36小时的法律规定;  
• 10/10名员工在2024年9月的加班时间为54小时, 超过每月加班时间不能超过36小时的法律规定。

## Description (carried over)

It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits.  
A review of 30 sample population employees' time records (10 sample from auditor selected month August 2023, 10 sample from auditor selected month December 2023 and 10 samples from current month March 2024) yielded the following:  
• 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 52 hours) in August 2023, which was not in compliance with the legal requirement.  
• 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 58 hours) in December 2023, which was not in compliance with the legal requirement.  
• 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 64 hours) in March 2024, which was not in compliance with the legal requirement.  
根据厂方提供的工时记录, 审核员发现员工加班时间超出了法定标准。  
审核员从厂方提供的工资记录中抽取30个样本(其中从当前月2024年3月抽取10个, 从随机月2023年12月抽取10个, 从随机月月份2023年8月抽取10个。), 发现共有30名员工加班时间超出了法定标准, 具体为:  
• 10/10名员工在2023年8月的加班时间为52小时, 超过每月加班时间不能超过36小时的法律规定;  
• 10/10名员工在2023年12月的加班时间为58小时, 超过每月加班时间不能超过36小时的法律规定;  
• 10/10名员工在2024年3月的加班时间为64小时, 超过每月加班时间不能超过36小时的法律规定;

## Corrective and preventative actions

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.  
建议工厂确保员工的加班时间符合法律要求。

### Corrective and preventative actions (carried over)

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

建议工厂确保员工的加班时间符合法律要求。

### Local law reference

In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

### Evidence



[NC. Overtime exceed local law.JPG](#)



\* PDF generated at 05:51 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

## 6. Working hours are not excessive

### Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	The factory paid 150%, 200%, and 300% of normal wage for overtime on weekdays, rest days and statutory holiday respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

## 7. No discrimination is practiced

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p><b>Policies and procedures:</b> The policy and procedure on anti-discrimination is in place. The policy indicates that all workers have equal right on wage and benefits, overtime, promotion, and resignation. The site would not ask unreasonable requirement during recruiting process, female workers would not be discriminated no matter they are married or not, they would be paid the same as male workers in the same position.</p> <p><b>Resources:</b> Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure. Not only the HR department is responsible for the implementation, but all other departments are also involved in the anti-discrimination issue to ensure that no discrimination case happens in the site.</p> <p><b>Training:</b> Sufficient training about this issue is provided in the site. Training records are provided for review. According to the employee interview, all employees know that equal pay for equal position and no discrimination is allowed in the site. The workers are very clear about the requirements.</p> <p><b>Monitoring:</b> The site conducts internal audit and regular inspection properly. Workers can raise complaints to workers representative and factory management about any discrimination case, or they can raise complaints through suggestion box. According to the worker interview, document review and onsite observation, no discrimination case was observed.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established non-discrimination policy, local law requirements were collected.  
The factory policy contents were communicated to all workers.  
Based on management interview and workers interview, all workers were recruited only based on working skills and abilities.  
According to documents review, workers interview and factory tour, there was no discrimination on hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation or political affiliation.  
Workers were paid the same rate in the same workshop, they had equal opportunity for overtime, training and salary raising.  
Workers said they did not encounter any discrimination case before, they were free to raise grievance for any discrimination case.  
The factory also established grievance procedure, for any discrimination issue, workers were free to raise grievance to worker representative and factory management.

Evidence examined:  
The hiring and termination procedure;  
Non-discrimination policy;  
Leave application records;  
Payrolls and attendance records to check the wage and overtime hours;  
Training records;  
Grievance records;  
Employee interview;  
Onsite observation.

7. No discrimination is practiced

## Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? 0%

Representation of women in managerial roles (ratio of women workers to women managers) 1%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 7%

Three most common nationalities in managerial and supervisory roles All were Chinese.

## 8. Regular employment is provided

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>Policies and procedures: The policy and procedure on regular employment is in place. The hiring procedures indicate the employees' legal rights such as wages and benefits, working hours, occupational health and safety etc.</p> <p>Resources: The HR department in the site is responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.</p> <p>Training: Sufficient training about this issue is provided in the site. Training records are provided for review. According to the employee interview, all employees know their legal rights. The workers are very clear about the requirements.</p> <p>Monitoring: The site conducts internal audit and regular inspection properly. There is no temporary worker, home worker or student at school age hired by the site. The site also does not use dispatched worker.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established worker recruiting procedure to identify the hiring and management of all migrant workers and contracted workers. The factory had signed the labour contracts with all sampled workers, which was confirmed through employee interview, workers were provided with one labour contract copy, and workers agreed with all contents. No agent worker, subcontracted worker or home worker used in the factory. All workers' ID card copies were kept for review. Based on workers interview, they were recruited by the factory directly, they had signed labour contract with the factory and one copy was kept by themselves. No recruitment fee was required by the factory.

Evidence examined:  
Hiring and termination policy;  
Personal files;  
Labour contracts;  
Payroll records;  
Onsite observation;  
Workers interview and management interview.

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8. Regular employment is provided

## Data points

Percentage of workers that are permanently or temporarily employed	100.0%
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Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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## 8.A. Sub-contracting and homeworkers are used responsibly

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>Policies and procedures: The policy and procedure regarding home worker and subcontractor management is established in the site.</p> <p>Resources: Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.</p> <p>Training: Sufficient training about this issue is provided in the site. Training records are provided for review. According to the employee interview, all employees know that homeworkeer and subcontractor is not allowed in the site. The workers are very clear about the requirements.</p> <p>Monitoring: The site conducts internal audit and regular inspection properly. Per factory tour (factory processes), final product is finished in the site. No home worker or subcontractor is used in the site.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory had established home worker and subcontractor management policy, and factory management knew the definition of subcontractor and homeworker. Per factory tour (factory processes), final products were finished in the factory, no home worker was used in the factory. Workers indicated that they did not observe any home worker before. Factory warehouse records were checked to verify whether subcontractor was used or not. According to factory management interview and onsite observation, no subcontractor was used by the factory.

Evidence examined:  
Home worker and subcontractor management policy;  
Site tour (Calculation on total production and estimated capacity);  
Materials in/out records; workshop production records;  
Factory Tour;  
Management and worker interview.

## 8.A. Sub-contracting and homeworkers are used responsibly

### Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

#### Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No  
No homeworkers in the factory.

#### Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No  
No sub-contracting in the factory.

Are any sub-contractors used? No

## 9. No harsh or inhumane treatment is allowed

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>Policies and procedures: The site establishes a written policy that prohibits any forms of forced labor, which includes indentured, debt bondage, slave labor or prison labor etc.</p> <p>Resources: The HR department in the site is responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge and she is familiar with the policy and procedure.</p> <p>Training: Sufficient training about this issue is provided in the site. Training records are provided for review. According to the employee interview, the workers all state that they are not required to pay employment fees or deposits to the site. All employees are hires on a voluntary basis. The workers are very clear about the requirements.</p> <p>Monitoring: The site conducts internal audit and regular inspection properly. The employees are never fined. They are allowed to leave during work hours under reasonable circumstances freely. The employees can choose the position and terminate the working relationship on their own will. No wage is delay paid or withheld by the site.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

The factory established disciplinary management policy, it indicated that the factory would prohibit any physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

According to workers' interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

No inhuman treatment was found in the factory.

No negative evidence observed through document review and workers' interview, the disciplinary records were provided for review.

The private reporting procedure was established for workers to report unreasonable treatment case.

Evidence examined:

Relevant policy on prevention of harassment and abuse;

Internal grievance procedure documentation;

Training records;

Workers interview;

Grievance policy and training for workers;

Disciplinary records;

Onsite observation.

9. No harsh or inhumane treatment is allowed

## Data points

<b>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</b>	Yes, there is a formal grievance process The grievance process is available to all workers The grievance process is available to members of the local community
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<b>What type of grievance mechanism(s) are available?</b>	Suggestion box.
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<b>Number of grievances raised in the last 12 months</b>	0
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<b>Number of grievances resolved in the last 12 months</b>	0
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## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p><b>Policies and procedures:</b> The site establishes the environment management procedure and provides the significant environmental impact list of their site and its processes. The policy and procedure on emergency processing procedures including emergency accident processing procedure is also in place.</p> <p><b>Resources:</b> The environment department in the site is responsible for the implementation. Ms. Lv Yuping/HR, is designated as the person in charge.</p> <p><b>Training:</b> Sufficient training about this issue is provided in the site. Training records are provided for review. The workers are very clear about the requirements.</p> <p><b>Monitoring:</b> The site conducts internal audit and regular inspection properly. All government required documents were obtained. And provided the significant environmental impact list of their site and its processes. The responsible person is making sure that no environment issues will happen.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

**Systems and evidence examined to validate this code section**

The factory established environmental protection policy, and management was appointed as responsible person for factory environmental business issues. Workers were provided with regular environmental awareness training. No hazardous waste was produced in the factory production process, and no obvious waste was released to factory outside, no pollution was observed during onsite observation. Based on management interview and website searching, the factory was not being punished for breaking local laws of environmental protection in recent years.

Evidence examined:  
Environmental protection management policy;  
Environmental awareness training;  
Web site checking;  
Worker and management interview.  
Site tour.

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## 10.A. Environment 2-Pillar

### Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?

No

Does the site have any valid environmental or energy management certificates?

The site obtained the environmental impacts document.

Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?

No

Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?

No

## 10.B. Environment 4-Pillar

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>The site obtained the environmental impacts document.            No waste air, water, noise or solid pollutant was generated in the site.            The site management aware of the environmental standards/code requirements and had a system in place to monitor their performance against these.            The site established the environment policy and procedures, which was communicated with their suppliers.            The site had the continuous improvement plan for improve their environmental performance.            The factory recorded and reviewed the use and discharge of natural resources.</p> <p>Evidence examined:            Management interview            Document review (environmental policy, training records, legally required permits related to environment, environmental policy in place, suitable person responsible for environmental issues, procedure for improving environmental performance)            Factory tour</p>		

## 10.B. Environment 4-Pillar

### Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Sustainable material sourcing Zero-waste and recycling protocols Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes  There is a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes  The factory has reduction targets in place for environmental aspects (water consumption reduce by 5%).
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

### Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	110,500	106,117
Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available

Total natural gas consumption (kWh)	Data not available	Data not available
Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	1,715	1,632
Water discharged	Municipal sewage	Municipal sewage
Water volume discharged (m3)	1,100	1,088
Water volume recycled (m3)	Data not available	Data not available
Total waste produced (mt)	11	10
Total hazardous waste produced (mt)	Data not available	Data not available
Waste to recycling (mt)	Data not available	Data not available
Waste to landfill (mt)	Data not available	Data not available
Waste to other (mt)	11	10
Total product produced (mt)	1,600	1,500

## 10.C. Business ethics

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>Policies and procedures: The policy and procedure regarding business ethics is established in the site.</p> <p>Resources: Ms. Lv Yuping/HR, is designated as the person in charge and is responsible for the implementation.</p> <p>Training: Sufficient training about this issue is provided in the site. Training records are provided for review. Relevant policy is posted in the noticeboard and communicated to all employees in the site. The workers are very clear about the requirements.</p> <p>Monitoring: The site conducts internal audit and management system audit regularly. And the site will receive the outside service providers' audit regularly.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

**Systems and evidence examined to validate this code section**

Facility conducted their business ethically without bribery, corruption, or any type of fraudulent Business Practice.  
Facility met the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.  
Facility had access to a transparent system in place for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter.  
Facility had a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice.

Evidence examined:  
Business ethical policy and document  
Document: business ethical policy, training records.

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10.C. Business ethics

## Data points

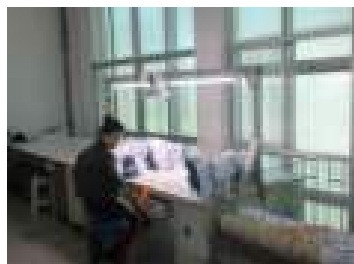
Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?

No

Provide any certified anti-bribery management systems for the site

No certified anti-bribery Management Systems provided.

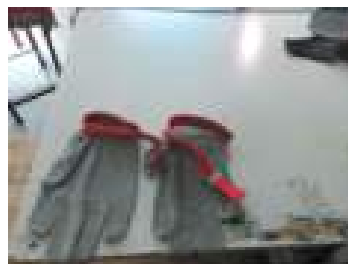
## Attachments



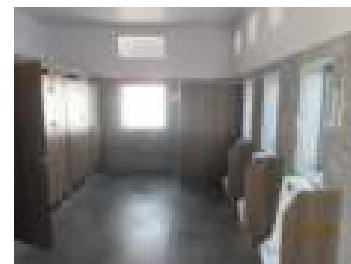
[Inspection and packing.jpg](#)



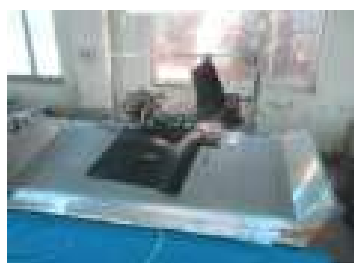
[Suggestion box.jpg](#)



[PPE.jpg](#)



[Toilet.jpg](#)



[Ironing.jpg](#)



[Sewing.jpg](#)



[First aid kit.jpg](#)



[Fire hydrant.jpg](#)



[Factory name.jpg](#)



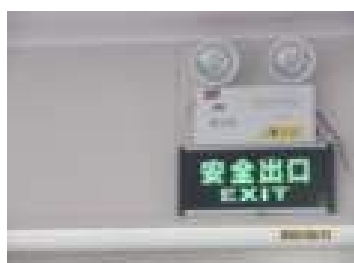
[Fire extinguisher.jpg](#)



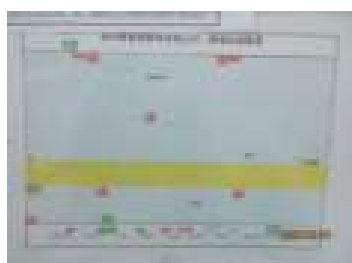
[Factory building.jpg](#)



[Factory gate.jpg](#)



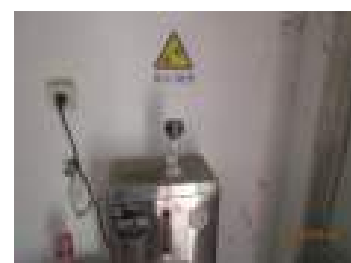
[Exit sign and emergency light.jpg](#)



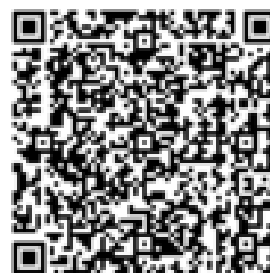
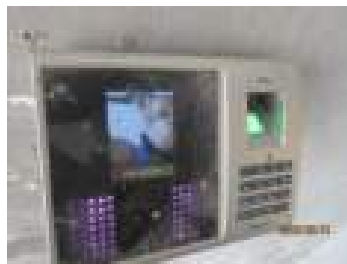
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[Drinking water.jpg](#)



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