SMETA
powered by Sedex

Sedex Members Ethical Trade Audit Report

Version 7

Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and 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 code areas below.

2-pillar audits include:

- Labour standards:
  - 0. Enabling accurate assessment
  - 1. Employment is freely chosen
  - 1.A. Responsible recruitment and 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
- Health and safety:
  - 3. Working conditions are safe and hygienic
- Environment:
  - 10.A. Environment 2-pillar

4-pillar audits include, in addition to the above:

- Environment:
  - 10.B. Environment 4-pillar
- Business ethics:
  - 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.

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Findings →

Audit details

Site details

Sedex site reference	ZS1000070816	**Site name**	Qingyuan Shenxiansheng Fashion co Ltd
Business name	Qingyuan Shenxiansheng Fashion Co Ltd	**Site address**	5th Floor Building C, 4th Floor Building B&C, Weida Industrial Zone, 20# Bijia North Road, Dongcheng Street, Qingcheng District, Qingyuan City, Guangdong Province, China. 中国广东省清远市清城区东城街道笔架北路20号威达工业村B、C栋四楼、C栋五楼 Qingyuan CN 511500

Audit details

Sedex company reference	ZC417799578	**Auditor company name**	Extensive Standard Technical Services Co Ltd
Audit company address	Room 1201, 12/F, Tai Sang Bank Building, 130-132 Des Voeux Road, Central, Hong Kong, Hongkong, CN, 999077		
Date of audit	2026-04-03	**Audit conducted by**	Sonya Liu
Audit pillars	Labour Standards | Health and safety		

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Findings →

Time in and out	Day 1	
	In	09:00
	Out	18:00
Audit type	Periodic	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Feng Zhaner / HR Manager	
Any conflicting information SAQ/Pre-Audit Info	No	
Is further information available?	No	

Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No union representative was available in facility.		
Reason for absence during the audit	No union representative was available in facility.		

Reason for absence at the closing meeting	No union representative was available in facility.

SMETA declaration

Auditor team

SMETA declaration	I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual. 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. 2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. 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.
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	The semi-announced window of this audit is from March 13- April 10, 2026

Lead auditor	Sonya Liu	**APSCA Number**	32200657
Additional auditor			
Date of declaration	2026-04-03		

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Findings →

Site representation

Declaration	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.
Full name	Feng Zhaner
Title	HR Manager
Date of declaration	2026-04-03

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601368830
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601368828
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601368829
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601368831
5.A. Living wages are paid	5.A.B Put in place a wage improvement plan th...	Base code	NC ZAF601374146
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601368832
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601374145

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	✓	ⓘ	✓	ⓘ

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← Summary of findings

Site details →

Site details

Company and site details

Sedex company reference	ZC417799578	
Sedex site reference	ZS1000070816	
Company name	Qingyuan Shenxiansheng Fashion Co Ltd	
Business ownership type	GOODS	
Site name	Qingyuan Shenxiansheng Fashion co Ltd	
Site name in local language	清远市沈先生服饰有限公司	
GPS location	**GPS address**	5th Floor Building C, 4th Floor Building B&C, Weida Industrial Zone, 20# Bijia North Road, Dongcheng Street, Qingcheng District, Qingyuan City, Guangdong Province, China.
	Coordinates	Latitude: 23.721917; Longitude: 113.048116,
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Jiang Guangbin
	Job title	Manager
	Phone number	13926517559
	Email	513842470@qq.com

← Management systems
Worker analysis →

Company and site details

Applicable business and other legally required business license numbers and documents	1.Business License NO.: 91441802MA7GJ5191T; Valid from January 14, 2022 to long term. 2.Fire acceptance report：清公消高验字[2001]第015号. 3.Fixed source discharge registration receipt: 914403000551471732001W.

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of knitted and crocheted apparel
	Secondary	
	Other	
Product type	Products: Clothing	
Process overview	Products: Clothing. Main operations: Cutting - Sewing - Ironing - Packing. Main equipment: Cutting machine, sewing machine, Ironing machine. Number of production lines: 5 sewing production lines, 1 cutting line, 1 ironing line, and 1 packing line	
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?	No The audited site was not a physically continuous area, there were other companies in the audited site.

← Site details

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2000
	If building is shared, provide details	Yes, Yes, the building is shared with other companies. Note: Those companies have their own fire-fighting facilities and employees
	Number of floors	4
	Description of floor activities	1Fcutting 2F,3F: Uesd by other companies 4Fsewing, ironing, packing and warehouse
Building 2	**Last construction works on site**	2000
	If building is shared, provide details	Yes, the building is shared with other companies. Note: Those companies have their own fire-fighting facilities and employees.
	Number of floors	5
	Description of floor activities	1F, 2F, 3F: Used by other companies. 4F: Sewing 5F: Packing, office
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	

← Site details

Worker analysis →

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not applicable No transportation was provided to workers by the site, all employees live near the site. And there was no legal requirement.

Work patterns

Approximate workers on site per month (% of peak)	**January**	90-100%	**February**	90-100%
	March	90-100%	**April**	90-100%
	May	90-100%	**June**	90-100%
	July	90-100%	**August**	90-100%
	September	90-100%	**October**	90-100%
	November	90-100%	**December**	90-100%
Is there any night 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

← Site details

Worker analysis →

Site assessments

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 N/A. Not mandatory.
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No N/A. Not mandatory.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men		Women		Other		Total	
Number of workers	33	(39.3%)	51	(60.7%)	-	-	84	(100%)

Workers by type

	Men		Women		Other		Total	
Permanent workers (employees)	33	(39.3%)	51	(60.7%)	-	-	84	(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

← Site details

Worker interviews →

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	2 *(33.3%)*	4 *(66.7%)*	- -	6 *(7.1%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	2 *(33.3%)*	4 *(66.7%)*	- -	6 *(7.1%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	Hunan Province, SIchuan Province and Fujian Province etc

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

← Worker analysis

Worker interviews →

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
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	39%	61%	-	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	33	*(39.3%)*	51	*(60.7%)*	-	-	84	*(100%)*
Salaried workers	0	-	0	-	-	-	0	*(0%)*

* % of total workforce

← Worker analysis

Worker interviews →

Workers by payment cycle

	Men		Women		Other		Total	
Paid daily	0	-	0	-	-	-	0	(0%)
Paid weekly	0	-	0	-	-	-	0	(0%)
Paid monthly	33	(39.3%)	51	(60.7%)	-	-	84	(100%)
Other	0	-	0	-	-	-	0	(0%)

* % of total workforce

If other payment cycle entered, please provide details	NA

People in managerial, supervisorial and administrative roles

	Men		Women		Other		Total
Employees in management positions	1	(50%)	1	(50%)	-	-	2
Supervisors or team leaders	1	(25%)	3	(75%)	-	-	4
Administrative staff	0	(0%)	2	(100%)	-	-	2

← Worker analysis

Worker interviews →

Worker interview summary

Gender disaggregated data available	Men and women
Which methods of worker engagement were used?	Individual interviews Group 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	1 group of 5
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

← Worker analysis
Measuring workplace impact →

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) N/A. No worker complained anything during the interview.
What did the workers like the most about working at this site?	Equal opportunities Hours worked, rest days or breaks Overtime Pay Training and development Work atmosphere (e.g. treatment by supervisors)
Additional comments	As reported, the work condition in the facility is great, and workers could raise concerns or complaints to the worker representative directly or to the top management through suggestion box. They were satisfied with timely payment of wages, a pleasant workplace, and cooperative management. In addition to these elements, the employees valued the chances for development and promotion inside the facility. The workplace offered consistent training programs and skill-development activities, enabling staff members to improve their professional talents and advance in their careers.
Attitude of workers' committee/union representatives	There's no trde union in the factory. The workers representative showed a cooperative attitude during the interview process. Based on the interview, the representative expressed their positive attitude to management and workplace.
Attitude of managers	The management was positive towards the audit and audit process. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private meeting room was arranged for worker interview. Moreover, the management promised to take corrective actions for non- compliances.

← Worker analysis

Measuring workplace impact →

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
Total number of workers interviewed	10

Workers interviewed by group/individual

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

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	1	1	-	2
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	1	1	-	2

← Worker interviews
Measuring workplace impact →

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 (2025)	2.0%	2.0%	-	4.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

Number of days lost through job absence in the year, calculated as: (Number of days lost through job absence in the year) / [(Number of employees on 1st day of the year + Number of employees on the last day of the year) / 2] * (Number of available workdays in the year).

Are accidents recorded?	Yes Accident records were kept in files, but no accident had occurred.

← Worker interviews
Code area 0 →

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%

← Worker interviews

Code area 0 →

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

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

← Measuring workplace impact

Code area 0 →

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private meeting room was arranged for worker interview. In general, the factory was very happy to cooperate with this audit. 2. The factory agreed that the auditor took photos and copied relevant documents or recorded in the factory. The factory agreed that the auditor conducted confidential interviews with employees who were chosen freely without any influence by the factory. Nor did the factory intimidate or lure auditors. 3. On the day of the audit, the factory operated normally. The number of workers and business processes in the factory were consistent with the information previously reported. 4. There was a policy statement that expresses commitment to respect human rights. And the policy was approved at the most senior level. 5. The auditor conducted the audit through employee interview, management interview, document review, site tour, etc. Evidence examined: 1. The document including: Social responsibility policy and procedure, Management system, Certificates and licenses, Training records, Payroll and attendance records, Production records, etc. 2. Management and workers' interview. 3. Factory tour.

← Measuring workplace impact

Code area 1 →

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 any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	No

← Code area 0

Code area 1 →

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	Some Improvements Recommended

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on employment is freely chosen were established and appropriate for the site context, including prevention of forced labour, prohibition of inhuman treatment, freedom of movement, non-excessive monitoring, payment of wages on time, etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The procedures were clear, concrete and actionable. These Policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources: The facility had assigned skilled manager to be responsible for the implementation of the procedures. The individual had sufficient authority to ensure that procedures were carried out. Senior executives and department managers had the consciousness of prohibiting forced workers, and there were clear responsible persons in every link to carry out relevant procedures. The Area grade was Robust. 3. Communication & Training: The policy and procedure was communicated to workers annually. The facility provided effective training and communication on employment is freely chosen to all relevant workers, including managers and supervisors, and there was general awareness of it amongst staff interviewed. The trainings were conducted by qualified managers according to the training program. And the training content was updated according to need. Effective assessment of understanding of those receiving training was conducted. The Area grade was Robust. 4. Monitoring: The implementation of procedures on employment is freely chosen was regularly monitored and relevant records were provided. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, there was no exit interview for the departing employees to check the execution of the demission procedure. The Area grade was Some Improvement Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 0

Code area 1.A →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory rules and policies showed that employees could be freely resignation after communication with management in advance 30 days. No deposit would be required. 2. No force, bonded or involuntary prison labour was observed during the date of audit. 3. The employees obtained their job by themselves or by friend's recommendation. 4. They did not require lodging deposits or their Identity papers to the factory at the beginning of employment. Evidence examined: 1. Factory Policy and Procedure 2. Personnel files 3. Resignation records 4. Employee handbook 5. Management and workers' interview 6. Factory tour

← Code area 0

Code area 1.A →

1. Employment is freely chosen

Data points

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

← Code area 1

Code area 1.A →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

← Code area 1   Code area 2 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on responsible recruitment and entitlement to work were established and appropriate for the site context, including applicant qualification examination, inspection record keeping, prohibition of recruitment fees, etc. These Policies and procedures were clear and led to a sustainable compliance with the Workplace Requirements in this Base Code Area now and over time. The Area grade was Robust. 2. Resources: The factory had assigned skilled manager to be responsible for the implementation of the procedures. The individual had sufficient authority to ensure that procedures were carried out. The responsibilities in the management structure or resourcing were clear, and there were sufficient management and professional staff to take care of relevant matters. The Area grade was Robust. 3. Communication & Training: The policy and procedure on responsible recruitment and entitlement to work was communicated to workers annually. The factory provided effective training and communication to relevant workers, including managers and supervisors. However, isolated cases of individuals relevant to achieving compliance with the Base Code Area, missing from communications or training implementation. For example, new workers joined in 2025 were not provided the training on recruitment cost. The Area grade was Some Improvement Recommended. 4. Monitoring: The implementation of procedures on responsible recruitment and entitlement to work was regularly monitored and relevant records were provided. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, there was no written record of verification and monitoring of fairness mechanisms in the recruitment process. The Area grade was Some Improvement Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 1

Code area 2 →

Systems and evidence examined to validate this code section	Current Systems: 1. All workers in the factory were local Chinese. All workers had the proper legal rights to work in this region. 2. The youngest employee was 25 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. No agency staff or foreign worker was used by the factory. 3. The factory recruited the new workers by advertisements or employees' recommendation. 4. All workers would be reviewed and validated the original documentation before they were employed. 5. Based on document review, workers and management interview, there was one program document to ensure the workers did not pay for recruitment fees or related costs during being recruited or working. The factory will reimburse for them if workers' entry interview incur fees. It was confirmed by the interviewed workers and management. Evidence examined: 1. Labour contract 2. Personnel files 3. Hiring procedure 4. Worker handbook 5. Management and workers' interview

← Code area 1

Code area 2 →

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 (excluding 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

← Code area 1.A

Code area 2 →

Percentage of workers that are migrant	7%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	Yes
List the sending states/provinces/regions	Hunan Province, SIchuan Province and Fujian Province etc

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid?	No - all new workers were recruited locally by the site
Select 1 to 3 sending countries/regions of new workers, who have paid any recruitment fees and associated costs. Record fees and costs in the following tables.	China

New workers totals

	China
Number of workers	16

Recruitment fees

	China
Payments made in exchange for work	-

← Code area 1.A

Code area 2 →

Recruitment fees

Recruitment services which are not optional	-
Other or uncategorised	-

Related costs

	China
Medical costs	-
Insurance costs	-
Skills and qualification tests	-
Training and orientation	-
Equipment costs	-
Travel costs	-
Accommodation costs	-
Administrative costs	-
Other or uncategorised	-

Illegitimate costs

	China

← Code area 1.A

Code area 2 →

Illegitimate costs

Payments made to illegitimate actors involved in the recruitment process	-
Payments made to illegitimate actors during the course of employment	-
Other or uncategorised	-

Was any worker in this group in debt as a result of these costs?

	China
Yes - to a recruiter	-
Yes - to the audited site	-
Yes - to a third party	-
No - could not verify	✓

Highest total costs incurred

	China
Currency	CNY
Highest total costs incurred	0.0

Additional comments NA

← Code area 1.A Code area 2 →

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	Some Improvements Recommended
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	Robust Management Systems

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on freedom of association and collective bargaining were established and appropriate for the site context, including freedom of association, right to collective bargaining, free election of workers' representative, etc. These Policies and procedures were reviewed annually, and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources: The factory had assigned skilled manager to be responsible for the implementation of the procedures. The individual had sufficient authority to ensure that procedures were carried out, and senior executives and department managers had the consciousness of freedom of association and collective bargaining. However, oversights in the management structure had not led to NCs but were likely to do so in the future. For example, whether staff representatives have sufficient time and space to carry out their functions was not adequately guaranteed. The Area grade was Some Improvement Recommended. 3. Communication & Training: The factory provided effective training and communication on freedom of association and collective bargaining to relevant workers, including managers and supervisors. The trainings were conducted by qualified managers according to the training program. However, isolated cases of individuals relevant to achieving compliance with the Base Code Area, missing from communications or training implementation. For example, new worker joined in 2025 were not provided the training on Freedom of association and collective bargaining. The Area grade was Some Improvement Recommended. 4. Monitoring: The factory effectively monitored the procedures and took actions when needed. There was a worker committee including one freely selected representative in the factory. The worker representative conducted meetings regularly. No negative factors were found, and the factory had a positive action and achieved good results. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 1.A

Code area 3 →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee. 2. The factory had established a Worker Committee Management Procedure. It was identified that employee representatives should be elected by employees freely. 3. There was no union but a worker committee in the factory. The procedure and meeting records showed that the committee communicated with factory management every three months. And relevant records were kept by the factory. 4. All interviewees confirmed that they could raise their concerns/complaints to the worker representatives and suggestion box. And all complaints or suggestions would be tackled within a short time. 5. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the rights to organize and bargain collectively in China. Evidence examined: 1. Complaint & handling records 2. Freedom of Association Policy 3. Meeting minutes of the workers committee meeting 4. Selection program and records 5. Management and employee interview 6. Factory tour

← Code area 1.A

Code area 3 →

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 there alternative worker representative bodies in place?	Yes, worker committee
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

← Code area 2

Code area 3 →

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	Some Improvements Recommended
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

← Code area 2

Code area 4 →

Management systems

Explanation for management systems grades	1.Policies & Procedures: Policies and procedures on health and safety were established and appropriate for the site context, including fire safety, occupational health and safety, electrical safety, equipment safety, emergency management and other aspects. However, a gap in policies and procedures had led to or was likely to lead to NC. For example, procedures for daily management of needle guards using and PPE using etc. The Area grade was Some Improvements Recommended. 2. Resources: The factory had assigned a skilled manager to be responsible for the implementation of the H&S procedures. The individual had sufficient authority to ensure that procedures were carried out. The members of Health and Safety Committee and supervisors of each department would attend quarterly meeting and address H&S concerns and provide updates. The Area grade was Robust. 3. Communication & Training: The factory provided training plan and conducted safety and hygiene training to workers, but based onsite observation and employee interview, it was noted that the training was not followed in practice. For example, needle guards were not available for 11 out of total 110 sewing machines etc. The Area grade was Fundamental Improvements Required. 4. Monitoring: The factory continuously assesses the effectiveness of these procedures via regular monitoring and internal audits and takes proactive measures in response to non compliances. However, one system NC was found in this section due to insufficient monitoring on on-site management. For example, it was noted that needle guards were not available for 11 out of total 110 sewing machines in the sewing workshop on the fourth floor of production building 1 and 2. Monitoring of site safety management did not catch these in time. The Area grade was Fundamental Improvements Required. Risk: The management of this audited factory had the awareness of safety and health management, but the implementation details still needed to be improved, such as there are risks of chemical safety storage management. The site has considered the risk in the management system frame, policies and procedures for chemical management was established, the factory regularly offers training on the safe use of chemical. In addition, based on onsite observation, the facility had workers used cutting machines and sewing machines etc in workshop, which causes some risks inherent at the site. The site has considered the risk in the management system frame, policies and procedures for cutting and sewing etc management was established, the factory regularly offers training on the safe use of cutting machines

Management systems

and sewing machines.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601368830
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601368828
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601368829

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory established a health and safety policy, and a health and safety committee were established in the factory. 2. Mr. Chen/ Manager was the representative of health and safety system. 3. Check records of fire-fighting equipment was available on site; It was identified that all fire-fighting equipment was checked monthly. 4. Fire drill records with photos showed that the factory conducted fire drill in the factory. The latest fire drill was conducted on December 25, 2025. 5. There were electricians in the factory. The certificate was provided by the factory for review during the audit. 6. Accident records were kept and provided for review. It was identified that no significant accident was occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions. 7. The factory had provided the fire safety certificate and structure safety certificate of factory buildings for review. 8. There were at least two exits at each floor in the factory. 9. Adequate toilet was provided in the factory. 10. Fire-fighting facilities were equipped in the factory. 11. PPE was provided to workers free of charge, and PPE warning sign was posted in place. 12. Adequate first aid kits were equipped in place. 13. Based on observation on site, the lighting was acceptable at each workshop. 14. Based on site observation, potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time. 15. Based on observation on site, the factory buildings were secure and reliable. Evidence examined 1. Health and safety policy 2. Training records and certificates 3. Fire equipment maintenance records 4. Fire drill records 5. Buildings structure safety certificates 6. Accident records 7. Management and worker interview 8. Factory tour

← Code area 2

Code area 4 →

Findings: non-compliances

ZAF601368830

Non-compliance

Due 2025-05-16

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

Based onsite observation, it was noted that needle guards were not available for 11 out of total 110 sewing machines in the sewing workshop on the fourth floor of production building 1 and 2.

基于现场观察，生产楼1栋和2栋的四楼缝纫车间共有110台针车其中有11台没有护针器。

Description (carried over)

Based onsite observation, it was noted that needle guards were not available for 10 out of total 110 sewing machines in the sewing workshop on the fourth floor of production building 1 and 2.

基于现场观察，生产楼1栋和2栋的四楼缝纫车间共有110台针车其中有10台没有护针器。

Corrective and preventative actions

It was recommended that the factory should install needle guards for related sewing machines.

建议工厂为相应的针车安装针护器。

Corrective and preventative actions (carried over)

It was recommended that the factory should install needle guards for related sewing machines.

建议工厂为相应的针车安装针护器。

Local law reference

General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.2 Set necessary safety devices to the movable spare parts may be touched during the operation.

Evidence

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

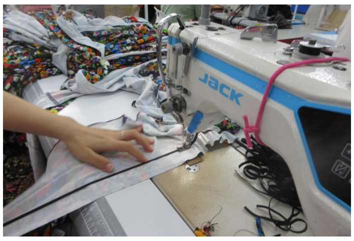
Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →



No needle guard.JPG

* PDF generated at 06:51 (UTC) on 08 Apr 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601368828

Non-compliance

Due 2025-05-16

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbunded)

Description

Based onsite observation, it was noted that there was secondary container for all chemical(such as lubricating oil) in the cutting workshop.

根据现场观察，我们注意到切割车间的所有化学品（如润滑油）都有二次容器。

Description (carried over)

Based onsite observation, it was noted that there was no secondary container for one bottle of lubricating oil in the cutting workshop on the first floor of the production building 2.

基于现场观察，生产楼2栋一楼的裁剪车间有一瓶润滑油没有二次容器。

Corrective and preventative actions

NA

NA

Status

Closed (2026-04-03)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Corrective and preventative actions (carried over)

It is recommended that the factory should provide the secondary containers for all chemicals.

建议工厂为所有化学品提供二次容器。

Local law reference

Regulations on the Control over Safety of Dangerous Chemicals, Article 20 The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moisture-proof, protection against thunder, protection against static, antisepsis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipment.

Evidence

Secondary container.JPG

* PDF generated at 06:51 (UTC) on 08 Apr 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601368829

Non-compliance

Due 2025-06-15

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-04-03)*

← Code area 3

Code area 4 →

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Issue title

232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect

Description

Based onsite observation, it was noted that safety label was posted for all chemical (such as lubricating oil) in the cutting workshop.

根据现场观察，我们注意到切割车间的所有化学品（如润滑油）都贴上了安全标签。

Description (carried over)

Based onsite observation, it was noted that no safety label was posted for one bottle of lubricating oil in the cutting workshop on the first floor of the production building 2.

基于现场观察，生产楼2栋一楼的裁剪车间有一瓶润滑油没有贴上安全标签。

Corrective and preventative actions

NA

NA

Corrective and preventative actions (carried over)

It was recommended that the factory should post the safety labels for all chemicals.

建议工厂为所有化学品张贴安全标签。

Local law reference

Regulations on Safety in Workplaces Where Chemicals Are Used Article 12, The chemicals used by using units shall be labeled, and hazardous chemicals shall also be affixed with safety signs, and operators shall be provided with material safety data sheet.

Evidence

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Safety label.JPG

* PDF generated at 06:51 (UTC) on 08 Apr 2026. 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?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Chemicals were used in the factory, such as spray gun water.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Not applicable
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No additions observed. The factory had provided the fire safety certificate and structure safety certificate of the factory building for review.
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

← Code area 3 Code area 4 →

Does the site have a structural engineer evaluation?	Yes

← Code area 3

Code area 4 →

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	Some Improvements Recommended
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

← Code area 3

Code area 5 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: There were written policies and procedures on Child labour, which were appropriate for the site context, including Child Labour Prevention, Remediation Policy, Age verification, Protection of underage workers, etc. These Policies and procedures were clear, executable, and reviewed annually, and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources: The factory had assigned skilled manager to be responsible for the implementation of the procedures on Child labour. The individual had sufficient authority to ensure that procedures were carried out. There were emergency procedures for child and underage workers to take care of relevant matters. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing. For example, the factory had a child labor assistance policy, but no responsible person had been appointed in writing. The Area grade was Some Improvement Recommended. 3. Communication & Training: The facility provided effective training and communication on Child labour to all relevant workers, including managers and supervisors, and there was general awareness of it amongst staff interviewed. The trainings were conducted by qualified managers according to the training program, and training effects had been measured and confirmed. The training content was updated according to need. The Area grade was Robust. 4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. No negative factors were found, and the factory had a positive action and achieved good results. There was no child labour and no young worker under 18 was employed at night or in hazardous conditions were identified during the audit. The factory effectively monitored the procedures and took actions when needed. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 3

Code area 5 →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory had established policy and procedure on prohibiting child labour. 2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages. 3. Checks of all workers files showed that the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour and young worker was identified in the factory. 4. Based on observation on site and workers interview, no child labour and young worker was identified during the audit. Evidence examined 1. Recruitment policies 2. Employees' personal files/ Employment registration/roster 3. Management and workers' interview 4. Factory tour

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	25
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

← Code area 4 Code area 5 →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

← Code area 4 Code area 5.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on wages and benefits were established and appropriate for the site context. These Policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. And A dedicated employee has been designated to update the policies and procedures to ensure their ongoing applicability. The Policies & Procedure part was considered Robust Management Systems. 2. Resources: The facility had assigned a skilled factory director to be responsible for the implementation of the procedures on wages and benefit management. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear. There were sufficient management and professional staff to take care of relevant matters. And senior executives and department managers had the consciousness of wages and benefit management. The Area grade was Robust. 3. Communication & Training: The factory provided relevant training and communication on wages and benefits to all relevant workers, including managers and supervisors. However, there is a risk that the new employees maybe not provided with social insurances in a timely manner in the future because the related training does not include these contents. Therefore, Communication and Training was considered Some Improvements Recommended. 4. Monitoring: The factory monitored the procedures on wages and benefit management. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. However, failure in monitoring the social insurance had led to systemic NC. For example, the factory did not provide social insurance for some eligible employees. Therefore, Monitoring was considered Fundamental Improvements Required. Risk: 1. For China's manufacturing sector, many non-state-owned enterprises have a risk of social insurance coverage rate. In many cases, not all workers are provided with social insurance. Although this is partly because the workers themselves do not want to participate. 2. The same risk existed for this audited factory, too. The factory did not provide social insurance to some eligible employees in March 2026.

Summary of findings

← Code area 4 Code area 5.A →

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601368831

Systems and evidence examined to validate this code section	Current Systems: 1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable. 2. The factory kept and provided payroll records from May 2025 to February 2026 for review during the audit. All workers were paid by hourly-rated wages, the minimum wage paid to workers was RMB 10.06(1750/21.75/8) per hour. The local minimum wage standard was set at RMB 1750 per month equivalent to RMB 10.06(1750/21.75/8) per hour since March 1, 2025. 4. The wages were paid by bank transfer before 30th of next month. Workers did not work overtime on statutory holidays. 5. Based on factory rules review, if the factory rules were broken, relevant workers would be warned and trained. 6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers. 7. Based on workers and management interview, the factory provided detailed pay slips to all workers when they received wages. 8. There were 95 employees (including 39 retired employees) in the factory. Based on social insurance record of March 2026 review. 50 (89.3%) employees did not participate in pension insurance, work-related injury insurance, unemployment insurance, medical insurance and maternity insurance. (In addition, the factory has purchased commercial insurance for 90 employees, valid from June 14, 2025 to June 13, 2026) 9. No deductions from wages as a disciplinary measure was found during the audit based on document review and worker interviews. Evidence examined 1. Attendance records: May 2025 to audit day 2. Payrolls records: May 2025 to February 2026. 3. Leave records 4. Social insurance and payment receipts from the local labour department 5. Labour contracts for all employees (to examine agreed wage rates) 6. Resignation records 7. Workers' Payslips 8. Management and workers' interview 9. Factory tour

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601368831

Non-compliance

Due 2025-06-15

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

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

Description

Based on management interview and document review, there were 95 employees (including 39 retired employees) in the factory. Based on social insurance record of March 2026 review. 50 (89.3%) employees did not participate in pension insurance, work-related injury insurance, unemployment insurance, medical insurance and maternity insurance.
(In addition, the factory has purchased commercial insurance for 90 employees, valid from June 14, 2025 to June 13, 2026)

基于管理层访谈和文件审查，工厂有95名员工（包括39名退休员工）。基于2026年3月的社会保险记录审50（89.3%）名员工没有参加养老保险、工伤保险、失业保险、医疗保险和生育保险。
（此外，工厂为90名员工购买了商业保险, 有效期：2025年6月14日至2026年6月13日）

Description (carried over)

Based on management interview and document review, there were 97 employees (including 31 retired employees) in the factory. Based on social insurance record of March 2025 review. 27 (41%) employees did not participate in pension insurance, work-related injury insurance, unemployment insurance, medical insurance and maternity insurance.
(In addition, the factory has purchased commercial insurance for 80 employees, valid from June 14, 2024 to June 13, 2025)

基于管理层访谈和文件审查，工厂有97名员工（包括31名退休员工）。基于2025年3月的社会保险记录审. 27（41%）名员工没有参加养老保险、工伤保险、失业保险、医疗保险和生育保险。
（此外，工厂为80名员工购买了商业保险, 有效期：2024年6月14日至2025年6月13日，）

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 4

Code area 5.A →

Corrective and preventative actions

It was recommended that the factory should provide 5 categories of social insurance for all employees.

建议工厂为所有员工提供5种社会保险。

Corrective and preventative actions (carried over)

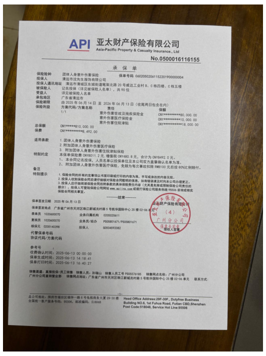
It was recommended that the factory should provide 5 categories of social insurance for all employees.

建议工厂为所有员工提供5种社会保险。

Local law reference

Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3)Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.

Evidence



[Commerical insurance.JPG]

[Insufficient social insurance.JPG]

* PDF generated at 06:51 (UTC) on 08 Apr 2026. [View this finding on the Sedex platform] for live updates and closure details.

← Code area 5 Code area 5.A →

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages meet a living wage Wages are based on job skills and experience The legal minimum 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
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Full-Fledged Anker Methodology

Worker renumeration

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

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

← Code area 5   Code area 5.A →

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	184.0
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	18.0
	Max hours per month	68.0
Minimum legal wage	**Min per hour**	10.06
	Min per day	80.46
	Min per week	Non applicable
	Min per month	1750.0
Actual minimum wage	**Actual per hour**	10.06
	Actual per day	80.46
	Actual per week	402.3
	Actual per month	1750.0

← Code area 5 Code area 5.A →

Minimum legal overtime wage	**Min per hour**	15.09
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	15.09
	Actual per day	30.18
	Actual per week	311.86
	Actual per month	1217.26

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	Monthly Wage: 10 samples from random month (June 2025, RMB 5016-5317), 10 samples from random month (December 2025, RMB 5412-5720), 10 samples from current month (February 2026, RMB 3512-3974).
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?	Meets legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning meet minimum wage.
Are there any bonus schemes used?	Yes Full attendance bonus and post allowance

← Code area 5 Code area 5.A →

Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

← Code area 5 Code area 5.A →

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5.A. Living wages are paid	5.A.B Put in place a wage improvement plan th...	Base code	NC ZAF601374146

Systems and evidence examined to validate this code section	Current Systems: 1. The factory had calculated the local living wage and analyzed the gap between the worker's wage and the living wage. 2. The factory did not develope a wage improvement plan (with Living Wage as the goal). 3. Based on document review and management interview, the factory analysis the local minimum living wage(RMB 1750) though the local price of commodities, educational cost, transport cost, housing cost, garment cost and daily cost. As a result, the minimum wage for employees was higher than the local minimum living wage. 4.There was a system that keep track of workers' cost of living and living wage. And the factory collected the information about cost of living for workers and analyzed it. (Adopted Anker Methodology) Evidence examined: 1. Local living wage documents 2. Management and workers interview 3. Factory tour 4. Workers’ Payslips 5. Management and workers’ interview 6. Factory tour

← Code area 5 Code area 6 →

Findings: non-compliances

ZAF601374146

Non-compliance

Code area

5.A Living wages are paid

Workplace requirement

5.A.B Put in place a wage improvement plan that aims to pay workers a living wage within a stated timeframe.

Issue title

905 - CAR: A wage improvement plan (with Living Wage as the goal) has not been completed

Description

The factory did not develop a wage improvement plan (with Living Wage as the goal).

工厂没有制定工资改善计划（以最低生活工资为目标)。

Corrective and preventative actions

It is recommended that the factory should develop a wage improvement plan (with Living Wage as the goal) and complete it in time.

建议工厂制定工资改善计划（以最低生活工资为目标）并及时完成。

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 06:51 (UTC) on 08 Apr 2026. View this finding on the Sedex platform for live updates and closure details.

← Code area 5.A

Code area 6 →

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	Fundamental Improvements Required
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

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: There were written policies and procedures on working hours management which were appropriate for the site context, including working hours, voluntary overtime, overtime pay, personal leave and vacation etc and no gaps in policies and procedures observed. The Area grade was Robust Management Systems. 2. Resources: The facility had assigned skilled manager to be responsible for the implementation of the procedures on working hours management. However, the management structure systemically led to active decisions made to contravene the Base Code Area (for example, in order to prioritise other business objectives). In order to complete the production task, the monthly overtime hours exceeded the legal permission. The Area grade was Fundamental Improvements Required. 3. Communication & Training: The facility provided effective training and communication on working hours management to relevant workers, including managers and supervisors. And the training content was updated according to need. However, a gap in training had led to or was likely to lead to systemic NCs. For example, the training for the reduction of overtime hours were not been carried out for all relevant personnel. The Area grade was Fundamental Improvements Required. 4. Monitoring: The facility monitored the procedures on working hours management and took actions when needed. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. However, failure in monitoring the work overtime had led to systemic NCs. For example, the sampled workers exceeded the 36 hours of overtime per month required by the regulations and ineffective review mechanism. Monitoring of overtime management did not catch this in time. The Area grade was Fundamental Improvements Required. Risk: 1. For the industry to which the factory belongs, there are risks in the management of overtime hours in general. In other words, many factories cannot guarantee that the overtime hours of workers in all months can be controlled within the legal 36 hours. 2. The described above risk existed for this audited factory, too; the workers' monthly overtime hours exceed the legal limit sometimes. But workers were working overtime voluntarily, and there was no risk for forced labor.

Summary of findings

← Code area 5.A

Code area 7 →

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601368832
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601374145

Systems and evidence examined to validate this code section

Current Systems:
1. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
2. The attendance records showed that workers worked overtime on Workdays or Saturdays frequently and rested on Sundays fixed.
3. The factory kept and provided attendance records from May 2025 to the audit day for review during the audit.
4.The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours' overtime working), 58 hours (including 18 hours' overtime working) and 68 hours respectively.
5. Based on attendance records review, all workers had enjoyed one day off per week.
6. Based on observation on site, the factory used fingerprint/face recognition attendance to record employees' working hours.
7. Through workers' interview, overtime was voluntary.

Evidence examined
1. Factory policy
2. Working time records from May 2025 to the audit day
3. Workers' contracts
4. Quality records and production records to cross-check working hours
5. Management and worker interview
6. Factory tour.

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601368832

Non-compliance

Due 2025-06-15

Code area

6 Working hours are not excessive

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.

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)

Description

The factory provided attendance records from May 2025 to the audit day for review.
1. In June 2025 (random month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 68 hours.
2. In December 2025 (random month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 68 hours.
3. In February 2026 (current month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 38 hours.

工厂提供从2025年5月到审核当天的考勤记录供审查。
1. 2025-6（随机月），10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为68小时。
2. 2025-12（随机月），10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为68小时。
3. 2026-2 (当前月)，10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为38小时。

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 6

Code area 7 →

Description (carried over)

The factory provided attendance records from March 2024 to the audit day for review.
1. In March 2024 (random month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 60 hours.
2. In September 2024 (random month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 52 hours.
3. In February 2025 (current month), 10 out of 10 employees exceeded the monthly overtime hours required by law, and the maximum monthly overtime hours was 44 hours.

工厂提供从2024年3月到审核当天的考勤记录供审查。
1. 2024-3（随机月），10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为60小时。
2. 2024-9（随机月），10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为52小时。
3. 2025-2 (当前月)，10名员工中有10名员工超出了法律规定的月加班小时数，最大月加班工时为44小时。

Corrective and preventative actions

It was recommended that the factory should make sure the overtime hours comply with legal requirements.

建议工厂确保加班时间符合法律要求。

Corrective and preventative actions (carried over)

It was recommended that the factory should make sure the overtime hours comply with legal requirements.

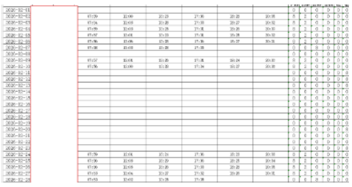
建议工厂确保加班时间符合法律要求。

Local law reference

Labor Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

Evidence

← Code area 6 Code area 7 →



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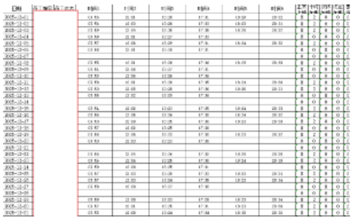

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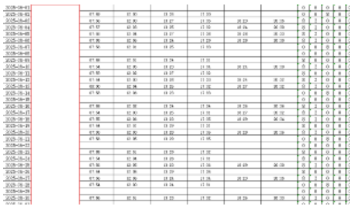

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* PDF generated at 06:51 (UTC) on 08 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601374145

Non-compliance

Due 2026-07-07

Code area

6 Working hours are not excessive

Workplace requirement

6.I Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.

Issue title

908 - There is a review conducted of working hours with the intention of responsibly managing overtime, but it is not adequate or does not lead to demonstrable corrective action

Description

Based on document review, employee and management interview, it was noted that this review mechanism was ineffective. The factory did conduct reviews on overtime hours, but based on the sampled records February 2026, December 2025, June 2025) overtime hours had not been continuously decreasing.

通过对文件的审查、对员工和管理层的访谈，发现这种审查机制是无效的。工厂确实对加班时间进行了审核，但根据抽样记录（2026年2月，2025年12月，2025年6月），加班时间并没有持续减少。

Corrective and preventative actions

It was recommended that the factory should establish an effective review mechanism.

建议工厂建立有效的审查机制。

Evidence

Status

Open*

Time given to resolve

90 days

Verification method

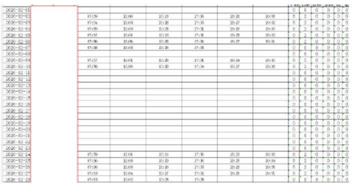
Desktop audit

Area of non-compliance/non-conformance

Base code

[← Code area 6](#)

[Code area 7 →](#)



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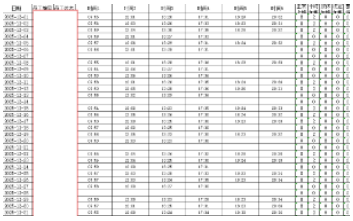

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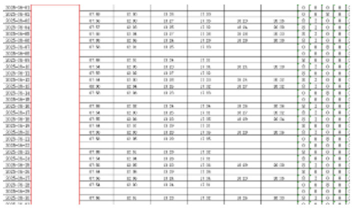

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* PDF generated at 06:51 (UTC) on 08 Apr 2026. View this finding on the Sedex platform for live updates and closure details.

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?	N/A. Workers were paid per legal requirement.
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?	57.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

← Code area 6

Code area 7 →

7. No discrimination is practiced

Management systems

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

← Code area 6

Code area 8 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on Non-discrimination were established and appropriate for the site context, including anti-discrimination, anti-harassment, fairness mechanisms, appeals and complaints, etc. These policies and procedures were reviewed annually and signed by the top management. However, gaps in policies and procedures observed which reduced the likelihood of sustainable compliance over time, for example, policies on equity principles and complaint mechanisms were unclear in terms of implementation details. The Area grade was Some Improvement Recommended. 2. Resources: Senior executives and department managers had the consciousness of Nondiscrimination, and there were clear responsible persons in every link to carry out relevant procedures. The facility had assigned skilled manager to be responsible for the implementation of the procedures on Non-discrimination, and the individual had sufficient authority to ensure that procedures were carried out. The Area grade was Robust. 3. Communication & Training: The trainings on non-discrimination were conducted by qualified managers according to the training program, and training effects had been measured and confirmed. The policy and procedure was trained and communicated to workers annually, including managers and supervisors, and there was general awareness of it amongst staff interviewed. The training content was updated according to need. The Area grade was Robust. 4. Monitoring: The facility effectively monitored the procedures on non-discrimination and took actions when needed. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust. Risk: For the factory, there are significantly more female employees than male employees. This may lead to potential risks such as unequal access to promotion/training opportunities and unequal pay for equal work.

Summary of findings

← Code area 6

Code area 8 →

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	1. There was a dedicated equity approach regarding recruitment, training, development and promotion processes, under the CSR policy of the facility. For example, for the new employees who have less working experience, the facility would provide induction training and additional skill training for them to help them enhance their skills and ability so that they can acquire more opportunities of work posts with higher pay, for the skilled employees, the facility would provide training for enhancing skill management. 2. The factory had established policies and procedures prohibiting discrimination and made the action plan. No evidence of discrimination was found in factory policies, rules, procedures, and operation records. The management knew the requirement of non-discrimination. 3. According to management and workers' interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions; promotion was based on workers' ability and skill; training was based on working requirement. 4. There was no negative evidence of discrimination in employment, training, promotion, compensation, welfare, dismissal and retirement found. There was no evidence of sexual harassment. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work. 5. No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment. 6.There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. Evidence examined: 1. Employee handbook, the hiring and termination procedure. 2. Leave application and termination records. 3. Attendance and payroll records. 4. Training records. 5. Management and worker interview. 6. Equity Approach policy and procedure.

← Code area 6

Code area 8 →

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)?	61%
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)	5%
Three most common nationalities in managerial and supervisory roles	Chinese

← Code area 7

Code area 8 →

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	Some Improvements Recommended

← Code area 7

Code area 8.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on Regular employment were established and appropriate forthe site context, including labor contract management, contract termination man agement, dimission management, disciplinary rules, etc. The relevant rules were fair, reasonable and met law requirements. These policies and procedures were clear, executable, and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on Regular employment. The scope and content of the relevant responsibilities were clear, and the individual had sufficient authority to ensure that procedures were carried out. Demonstrable effectiveness of the management structure could ensure to achieve compliance sustainably over time. The Area grade was Robust. 3. Communication & Training The policy and procedure on Regular employment was trained and communicated to workers annually, including managers and supervisors, and there was general awareness of it amongst staff interviewed. The trainings were conducted by qualified managers according to the training program, and training effects had been measured and confirmed. The training content was updated according to need. The Area grade was Robust. 4. Monitoring Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility monitored the procedures on Regular employment. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, interviews with departing employees lacked written details, such as reasons for leaving and satisfaction with the company. The Area grade was Some Improvement Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 7

Code area 8.A →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements. 2. Work performed was on the basis of recognized employment relationship established through national law and practice. 3. The factory signs labour contracts with workers within 30 days after employment. According to worker interview, they had the copies of labour contracts. 4. No homework was arranged, no apprenticeship scheme was practiced in this factory. Evidence examined 1. Employee Manual 2. Hiring and termination procedure 3. Labour contract 4. Personal files 5. Payroll records 6. Management and workers' interview 7. Factory tour

← Code area 7

Code area 8.A →

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
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%
Percentage of workers employed as apprentices, trainees or interns	0.0%

← Code area 8

Code area 8.A →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

← Code area 8

Code area 9 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on sub-contracting and homeworkers were established and appropriate for the site context, including subcontractor and supplier management, prohibition of the use of homeworkers, production capacity calculation, customer contract management, etc. The policies and procedures were reviewed annually and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources: The facility had assigned skilled manager to be responsible for the implementation of the procedures on sub-contracting and homeworkers. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. The Area grade was Robust. 3. Communication & Training The policy and procedure on sub-contracting and homeworkers was trained and communicated to workers annually, including managers and supervisor. The trainings were conducted by qualified managers and was updated according to need. However, oversights in how the training and communication programme is managed had not led to an NC, but were likely to do so in the future. For example, a few management personnel were not trained on the control of homeworking and sub-contracted work. The Area grade was Some Improvement Recommended. 4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility monitored the procedures and took actions when needed. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, there was no monitoring records for the execution of program of parts procurement and external processing. The Area grade was Some Improvement Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 8

Code area 9 →

Systems and evidence examined to validate this code section	Current Systems: 1. The subcontractor control policy was established in the factory. 2. It was verified through document review, factory tour, management interview and workers interview that no home-working and sub-contracting was used by this factory. Evidence examined 1. Factory policy 2. Factory tour (Calculation on total production and estimated capacity) 3. Materials in/out records 4. Management and workers' interview

← Code area 8

Code area 9 →

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 homeworker?	
Are full records of homeworkers available at the site?	
Does the supplier buy products or services from suppliers that use homeworkers?	No All suppliers had signed agreements not to use homeworkers. Through document review, factory tour, management interview and workers interview, no homeworkers were found.

Sub-contracting

← Code area 8.A

Code area 9 →

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No There was not any concern. The production capacity of the factory could meet the normal production demand. Based on site tour, document review, worker and management interview, no subcontractor was found in the factory during the audit.
Are any sub-contractors used?	No

← Code area 8.A

Code area 9 →

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

← Code area 8.A

Code area 10.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on No harsh or inhumane treatment were established and appropriate for the site context, including non-abuse, no-harass, appeal and complaint, etc. The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and had developed a training program for all employees on the procedure. The policies and procedures were reviewed annually and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on No harsh or inhumane treatment. The individual had sufficient authority to ensure that procedures were carried out. There were sufficient management and professional staff to take care of relevant matters. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. The Area grade was Robust. 3. Communication & Training The facility provided effective training and communication on No harsh or inhumane treatment procedure to relevant workers. The trainings were conducted by qualified managers, and the training was updated according to need. The Area grade was Robust. 4. Monitoring The facility effectively monitored the procedures and took actions when needed. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. Relevant policies and procedures were in place, grievance and complaint mechanisms had been established, and all employees had been trained. There was an internal process for grievance such as a complaint box where workers can report any grievances. There was not any negative or negative effect in practice. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 8.A

Code area 10.A →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure. 2. The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence happened in the past. 3. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question. Evidence examined 1. The relevant policy on prevention of harassment and abuse. 2. Internal grievance procedure documentation. 3. Training records. 4. Management and workers' interview 5. Factory tour

← Code area 8.A
Code area 10.A →

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers
What type of grievance mechanism(s) are available?	Suggestion box
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

← Code area 9 Code area 10.A →

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	Some Improvements Recommended
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	Some Improvements Recommended

← Code area 9

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on Environment management were established and appropriate for the site context, including environmental regulation acquisition and update, energy conservation and emission reduction, identification of customer environmental requirements, biodiversity management, etc. And there was a clear procedure for updating documentation according to changing requirements or situations. The policies and procedures were reviewed annually and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust. 2. Resources: The facility had assigned skilled manager to be responsible for the implementation of the procedures on Environment management. The individual had sufficient authority to ensure that procedures were carried out, and candidates were available for the relevant responsibilities. However, the people responsible for environmental management were not fully aware of all their duties, such as checking whether the measures for energy conservation and emission reduction have been implemented. The Area grade was Some Improvement Recommended. 3. Communication & Training: The facility provided effective training and communication to all relevant workers, including managers and supervisors. The policy and procedure on Environment management was trained and communicated to workers annually, and the training content was updated according to need. The trainings were conducted by qualified managers according to the training program, and Effective assessment of understanding of those receiving training was conducted. The Area grade was Robust. 4. Monitoring: The factory assesses the effectiveness of environment management procedures via regular monitoring and internal audits. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, the factory did not conduct customer satisfaction surveys on environmental management .The Area grade was Some Improvement Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 9

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. The factory provided Fixed Pollution Source Registration Form Registration Form during this audit. 2. Based on worker's interview, they were trained on environmental protection. 3. The factory established environment policy including environment emergency action procedures, relevant procedure and carried out environment management system. 4. Waste was collected and segregated in place. 5. The factory had established procedures to understand the customer's environmental standards, to compare them with its own environmental performance, and to make continuous improvement. 6. The factory had established a list of harmful substances to ensure compliance with customer requirements and relevant regulations. Evidence examined 1. Fixed Pollution Source Registration Form 2. Environmental policy and procedure 3. Emergency action procedures. 4. Wastes records 5. Management and workers' interview 6. Factory tour

← Code area 9

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 factory did not get any environmental or energy management certificates.
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

← Code area 10.A

Attachments

[Factory name.JPG]

[Industrial park gate.JPG]

[Building 2.JPG]

[Building 1.JPG]

[Cutting.JPG]

[Ironing.JPG]

[Sewing.JPG]

[Inspection and packing.JPG]

[Fire extinguishers.JPG]

[Fire alarm.JPG]

[Emergency light and exit sign.JPG]

[First aid kit.JPG]

[Fire hydrant.JPG]

[Raw materials warehouse.JPG]

[Finished goods warehouse.JPG]

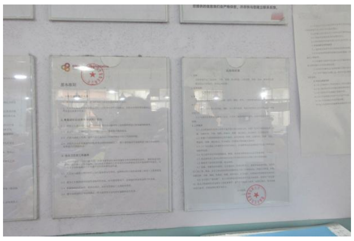
[Suggestion box.JPG]

[Attendance system.JPG](#)

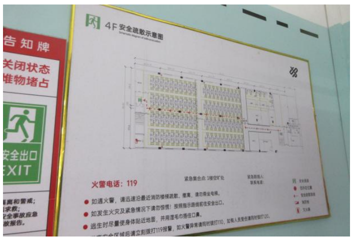
[Warning sign.JPG](#)

[Toilet.JPG](#)

[Potable water.JPG](#)



[ETI code.JPG](#)



[Evacuation plan.JPG](#)

[Business license.png](#)

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