

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

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

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC5000051436	Auditor company name	Intertek Shanghai
Date of audit	2025-03-13	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS1000060645	Site name	ZHENJIANG KIMTEX FASHION INC
Business name	ZHENJIANG KIMTEX INDUSTRIAL INC.	Site address	212125 Dashan, Luxi Village, Baoyan Town Dantu District, 212125 Zhenjiang, Jiangsu, Zhenjiang, CN
Site phone	+86-18906106163	Site email	george@kimtex-inc.cn

Audit parameters

Time in and out	Day 1		Day 2	
	In	08:36	In	08:30
	Out	17:00	Out	12:30
Audit type	Full initial			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Site representative did not provide a signature			
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 established in the facility.		
Reason for absence during the audit	No union established in the facility.		
Reason for absence at the closing meeting	No union established in the 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. - 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. - 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)	This audit is semi-announce audit with the scheduling window from 10 March 2025 to 10 May 2025		
Lead auditor	nicki wu	APSCA Number	21700514
Additional auditor			
Date of declaration	2025-03-14		

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	
Title	
Date of declaration	2025-03-14

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC ZAF600853554
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§2	NC ZAF600853555
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§3	NC ZAF600853556

Local law issues

S1	In accordance with the General Rules for Fire Safety Management of Storage Occupancies XF1131-2014 Article 6.8 The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.
S2	In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
S3	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

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

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

Sedex company reference	ZC5000051436	
Sedex site reference	ZS1000060645	
Company name	ZHENJIANG KIMTEX INDUSTRIAL INC.	
Business ownership type	GOODS	
Site name	ZHENJIANG KIMTEX FASHION INC	
Site name in local language	镇江金特服饰有限公司	
GPS location	GPS address	Dashan, Lu Xi Village, Baoyan Town, Dantu District, Zhenjiang City, Jiangsu, China
	Coordinates	Latitude: 31.956173 Longitude: 119.371059
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Gao Huimin
	Job title	General Manager
	Phone number	+86-18906106163
	Email	george@kimtex-inc.cn
Applicable business and other legally required business license numbers and documents	The business license number is 913211126701138993. Valid Date: from 17 December 2007 to 16 December 2027. Fire certificate was issued in April 2008 (Zhen Dan Xiao Gong Yan [2008] No. 0193) with no expired date. Building completion acceptance reports were issued in January 2008 without expired date. Electrician license valid date till November 2027.	

Site activities

Site function	Finished Product Supplier Factory Processing/Manufacturer
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Site activities

Site activities	Primary	Manufacture of knitted and crocheted fabrics
	Secondary	
	Other	
Product type	Knitting gloves and hats	
Process overview	The main products manufactured by the facility were knitting gloves and hats. The main production processes were listed as follows: yarn reeling, knitting / weaving, cutting, sewing, inspection and packing. The main machine list of the factory was as following: glove machine: 40 sets, sewing machine: 10 sets, knitting machine: 10 sets, weaving machine: 10 sets, and etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	8538m ²	
Building 1	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	One flat building was used as yarn reeling, knitting, sewing, inspection, packing workshop and office
Building 2	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	2
	Description of floor activities	One 2-storey building which 1F was used as cutting workshop and 2F was idle.

Site scope

Building 3	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	One flat building was used as raw material warehouse
Building 4	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	One flat building was used as finished goods warehouse
Building 5	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	One flat building was used as security room
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No	
Does the site organise worker transport to the worksite?	Not provided	
	No transport was provided by facility.	

Work patterns

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

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

Site assessments

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

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? Yes
The facility had assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

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

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	3 (12%)	22 (88%)	- -	25 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	3 (12%)	22 (88%)	- -	25 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	2 (100%)	0 (0%)	- -	2 (8%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	2 (100%)	0 (0%)	- -	2 (8%)

* % of total workforce

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

2 employees were migrant employees from other provinces of China including Anhui and Guangdong.

Workers by age

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

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit?	No
Describe how this may vary during peak periods	The peak month was not obvious in this facility.
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	12%	88%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	0 -	0 -	- -	0 (0%)
Salaried workers	3 (12%)	22 (88%)	- -	25 (100%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	3 (12%)	22 (88%)	- -	25 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

Not applicable. All employees were paid monthly.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (33.3%)	2 (66.7%)	- -	3
Supervisors or team leaders	1 (33.3%)	2 (66.7%)	- -	3
Administrative staff	0 (0%)	1 (100%)	- -	1

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 One group of 5 employees (1 male and 4 females).

Did workers understand the purpose of the audit? Yes

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

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

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

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) Not applicable. No concern or complaint was raised by the employees. All employees interviewed had a positive attitude to management and site.
What did the workers like the most about working at this site?	Equal opportunities Freedom of movement Pay Hours worked, rest days or breaks Grievance mechanisms
Additional comments	10 employees including 2 males and 8 females were selected for interview; they were interviewed as 1 group of 5 interviewees and 5 employees were interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility. All employees said they were satisfied with their employment at the facility and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns.
Attitude of workers' committee/union representatives	One worker committee representative was interviewed. And she stated that she was favorable with the management and facility environment. No negative information was raised. The worker committee rep was happy with the management, working conditions, and she stated that she could give suggestions on all parts of the site's practices.
Attitude of managers	The management was open and cooperative throughout the process of the audit. The audited facility designated several management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to several different management staff, and these assigned persons completed their assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the facility management. In the closing meeting, the management agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

Workers interviewed by type

	Total
Permanent workers	10
Temporary or fixed-term employees	0

Workers interviewed by type

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	1	4	-	5
Workers interviewed individually	1	4	-	5

Migrant workers interviewed

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

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	25.0%	4.4%	-	3.8%
Previous full calendar year (2023)	0.0%	4.0%	-	3.6%

* 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)	4.0%	5.4%	-	5.3%
Last full calendar year (2024)	4.0%	4.0%	-	4.0%
Previous full calendar year (2023)	2.6%	4.0%	-	3.8%

* Number of days lost through job absence in the year, calculated as (the number of employees on 1st day of the year + number employees on the last day of the year) / 2)* number available workdays in the year*100

Are accidents recorded?

Yes

Accidents records were provided for review and it showed no accident happened in past 2 years.

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

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section

Remark: Auditor selected option of site representative did not provide a signature by mistake, and it could not be modified after complete the CAP. Actually, the facility representative Ms. Gao Huimin / General Manager had signed the CAP in closing meeting.

Current systems:

1. The facility management was open and cooperative throughout the process of the audit. The facility designated one management staff to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents, and arranging worker interviews, etc. to one management staff, and this person completed the assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All areas of the facility were allowed access for the tour. A private room was arranged for employee interview and the management allowed the audit team to select workers for interviews.
2. The facility had identified the situations and activities where acts of corruption, extortion, and embezzlement were most likely to occur and developed relevant policies and procedures against them, also the facility had conducted anti-bribery training for relevant employees.
3. The facility had completed SAQ and provided it for review during the audit.
4. The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by Ms. Gao Huimin / General Manager. The facility communicated the Human Rights Policy to all appropriate parties including its own suppliers by providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps.
5. There was one designated person responsible for implementing standards concerning Human Rights in the facility and the designation paper was available for review. The person designated for it was Ms. Gao Huimin / General Manager.
6. The facility implemented and maintained systems for delivering compliance with this Code. A CSR manual was created by the facility which contained the required documents and the appropriate procedures for meeting the client's code of conduct and the legal requirements. Responsibility for implementing the legal and client code requirements was shared with Ms. Gao Huimin / General Manager. Together they were responsible for ensuring compliance with the standards. There was an internal audit team for internal audit of the social standards of the facility and they reported their findings to Ms. Gao Huimin / General Manager. Implementation of any necessary changes was then given to the individual department head after agreement with Ms. Gao Huimin / General Manager.
7. The appointed senior manager responsible for compliance with the Code was Ms. Gao Huimin / General Manager.
8. The facility communicated the code to all workers by regular training.
9. The facility communicated this ETI Code to its own suppliers and extended the principles of this Ethical Code through its supply chain.
10. In view of facilities, the facility consisted of one 2-storey building which 1F was used as cutting workshop, and 2F was idle, and three flat buildings used as workshop and warehouse. No dormitory or canteen was provided for employees. One 2-storey building and one flat building were rented to one facility named Jurong Jinte Apparel Co., Ltd. which the 2-storey building was used as office and locker room of the boss, part of the flat building used as canteen of the boss, and other part was idle. Rental agreements were provided. During facility tour, document review and employee interview, the tenant had no production onsite and had only 2 management in the building. The tenant had independent management and finance, so, it was not in audit scope.

Evidence examined:

1. Facility tour, management interview, employee interview, and documents review
2. Anti-bribery policy and procedures
3. Employee Handbook was reviewed. It stipulated complying with the ETI Code, written policies, and procedures that were being provided individually to employees.
4. The Company Manual contains details of the Code and Business Ethics with the commitment to being compliant in all aspects of business and integrity aligned with the client's requirements and local law.
5. The posters and training records about Human Rights Policy.
6. The facility's written Human Rights Policy and Human Rights Policy Compliance

Commitments from its appropriate parties.

7. The designation paper for the person responsible for implementing standards concerning Human Rights in the facility

8. The CSR manual; client's code of conduct at the facility (posted in Chinese in the workplaces); Appointment papers for compliance with responsible people; Internal audit documents (e.g. annual audit reports) from the internal audit team; management system certificate.

9. The appointment paper for the senior management responsible for compliance with the Code.

10. Training records for workers

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	No

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the employment is freely chosen policy which meets all Workplace Requirements in this code area. The policy makes reference to the no forced labour and hiring procedure, which outlines prohibiting forced labour, human trafficking, debt bondage/ bonded labour or any other form of modern slavery and giving employees right to free movement. This procedure includes provision for non-employee (agency)workers. The Senior Director is named within the employment freely chosen policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement the no forced labour and hiring procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The employment is freely chosen policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the no forced labour and hiring procedure is mandatory for all HR staff processing applications or on boarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of employees' freedom and no forced labour in hiring are defined by the no forced labour and hiring procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards, did not limit the workers' freedom and prohibited forced, bonded or involuntary prison labour; workers can be free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The employing handbook—given to all workers on joining, stated that workers are free to leave with 3 days' prior notice within their probation period and could resign with one month's prior written notice after the probation period; The resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers can be free to leave the workplace outside of their working hours, and the rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct a body search.
5. The facility did not require any payment for work tools, PPE, IC/staff cards, training, etc.
6. The facility did not use prison labour.
7. All employees' wages were paid timely.
8. During the employees' interview and documents review, it was noted that: 1) All employees were hired on a voluntary basis and there was no deposit, and no fees needed to obtain this job. No ID card or other permit was withheld by the facility. 2) No fine was used as a disciplinary method. 3) The employees could terminate the working relationship on their own will. No wages were delayed or withheld by the facility. 4) Employees could leave during work hours under reasonable circumstances, such as for personal or health emergencies. 5) Employees could report any complaints to management if they were not treated with respect and dignity.

Evidence examined:

1. Personnel files
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and employee interview

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

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the responsible recruitment and entitlement to work policy which meets all Workplace Requirements in this code area. The policy makes reference to the hiring procedure, which outlines validate that workers have a right to work, not giving false, misleading, or incomplete information at the point of recruitment and stating that no recruitment fees or costs should be paid during hiring. This procedure includes provision for non-employee (agency)workers. The Senior Director is named within the responsible recruitment and entitlement to work policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement the hiring procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The responsible recruitment and entitlement to work policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the hiring procedure is mandatory for all HR staff processing applications or on boarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of responsible recruitment and entitlement to work in hiring are defined by the hiring procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

1. The facility had established processes and systems to validate that workers have a right to work. Per document review, facility management representation and employee interview, all employees were Chinese. All employees had the proper legal rights to work in this region.
2. There was a written recruitment procedure that stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers, and the facility would never employ and use any child labour under the age of 16 years old.
3. The facility had established policy and procedure that prohibit to receive any recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs) from any type of employees. All employees were recruited by the facility directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was used in the facility. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers
4. The facility had established policy and procedure that no recruitment fees or related costs are incurred or charged to workers from hold labour providers or on-site subcontractors. No labor provider or subcontractors were used on-site.
5. All employees had received copies of signed labor contracts.
6. An effective management system was in place to identify and monitor the hiring and management of all workers. All workers were hired legally and treated equally in the facility.
7. The labour contracts of all workers were available for review. The labour contracts were signed by the workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Evidence examined:

1. The Recruitment and termination practices
2. Personal files with labour contracts and ID copies for the employees
3. Payroll records were provided for review.
4. Training records about the recruitment policy and procedure
5. Personnel files
6. Management interview and worker interview

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	8%
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	2 employees were migrant employees from other provinces of China including Anhui and Guangdong.

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

Yes

What recruitment fees and costs do workers pay during the recruitment and employment process?

Workers do not pay any recruitment costs (Please provide details)

During document review, employees' interview, the facility detected recruitment fees and costs which paid by workers during the recruitment and employment process. All employees were hired by the facility directly, and all migrant employees should not be paid with recruitment costs.

Were recruitment fees or costs identified during worker interviews?

No

During employee interview, all employees stated that there was no recruitment fees or costs.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the freedom of association and right to collective bargaining are respected policy which meets all Workplace Requirements in this code area. The policy makes reference to the freedom of association procedure, which outlines that the facility respects employees' rights to join or form a worker committee/trade union or to bargain collectively. The Senior Director is named within the freedom of association and right to collective bargaining are respected policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement the freedom of association procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The freedom of association and right to collective bargaining are respected policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the freedom of association procedure is mandatory for all employees annual. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of Freedom of association and right to collective bargaining are respected in daily work are defined by the freedom of association procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section

Current systems:

1. No union was established in the facility.
2. One worker committee existed in the facility. The worker representatives conducted meetings quarterly. One worker representative was present at the opening meeting, the audit, and the closing meeting.
3. The interviewed workers confirmed that they were free to join a worker committee and enjoy the right to collective bargaining.
4. Employee interview confirmed that the members of the worker committee had been elected by fellow employees, and the facility did not interfere in their activities and did not discriminate against the worker representatives.
5. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers are free to form or join a trade union or workers' organization and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc.
6. The response records for workers' suggestions and appeals were available for review.

Evidence examined:

1. Social compliance system program and procedure
2. Internal suggestion complaint feedback
3. Meeting minutes
4. Employee interview and management interview
5. Employee handbook and employment contracts were reviewed. They both stated that employees were free to form trade unions. Nobody would be treated differently whether they were members of the union or work committee.

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	Yes
Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years?	No

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The position of the company is clearly stated in the EHS policy which meets all Workplace Requirements in this code area. The policy makes reference to the EHS procedures including fire safety, machine safety, chemical management, which outlines that the facility provides safe and hygienic working conditions for employees. The Senior Director is named within the EHS policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental EHS leads are allocated responsibility to implement the EHS procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The EHS policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the EHS procedure is mandatory for all proper employees during daily work. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. However, ineffective training and communication of goods storing to some employees leading to one minor NC was raised in this audit. Responsibilities for monitoring implementation of EHS in daily work are defined by the EHS procedure. The procedure requires that audit of the records kept of this verification is conducted by the EHS leads. Records are kept of monitoring activities. Through reviewing the monitoring records, auditor found the relevant trainings were provided for employees but they still ignored to store goods away the wall according to legal requirement.

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§1	NC ZAF600853556

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management
 - 1.1 Mr. Gao / Factory Director was responsible for Health & Safety issues on the site. The facility had established written health and safety procedures, which included fire emergency procedures, first aid procedures, electricity safety procedures, PPE (Personal Protective Equipment) management procedures, machine safety procedures, etc. The facility had collected and identified relevant health and safety regulations and laws. The facility conducted health and safety risk assessments. The facility provided training for employees on first aid, machine safety operation, fire safety, electricity safety, chemical safety usage, PPE (Personal Protective Equipment) wearing, etc. The facility conducted regular checks for fire safety, electricity safety, machine safety operation, first aid supplies, etc.
 - 1.2 Potable water was freely available in all areas. While the facility conducted tests on the water quality of the drinking water from the city water.
 - 1.3 Sufficient clean toilets segregated by gender were always available to employees.
 - 1.4 Ventilation, temperature, and lighting were adequate for the production processes.
 - 1.5 Minutes of meetings showed that there were monthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
 - 1.6 Accident reports were available for review.
 - 1.7 Valid training records/certificates of safety production knowledge and management skills for the principal in charge of work safety and the manager for the management of work safety were provided for review.
2. Fire Safety
 - 2.1 There were at least 2 exits in all work areas and all of them were clearly marked.
 - 2.2 Fire facility including fire extinguishers, fire hydrants, fire alarms, etc. were installed in the facility and checks were up to date.
 - 2.3 Evacuation diagrams were posted in all areas and understood by all employees interviewed.
 - 2.4 Fire drills were organized and recorded two times per year throughout the facility.
 - 2.5 Training had been given by the local fire department and fire marshals had been specially selected for extra training.
 - 2.6 The open directions of the safety exit doors were adequate.
 - 2.7 Evacuation routes were designed well with yellow lines, installed with evacuation indication signs, and kept clear.
 - 2.8 Evacuation plans were posted at each safety exit and understood by all interviewed workers.
3. Electrical safety
 - 3.1 All electrical equipment was maintained in good condition such as sockets, plugs, switches, and main fuse boards.
 - 3.2 There was one electrician at the facility and the electrician certificates were provided for review.
4. Medical services
 - 4.1 There were adequate first aid kits and they were well stocked.
 - 4.2 There were 2 first aiders, and they had been trained at a local hospital.
5. Machine Safety
 - 5.1 Protective devices were installed for dangerous parts of all machines.
 - 5.2 Warning signs were posted onsite to remind employees when they operate machines onsite.
6. Chemical safety
 - 6.1 Chemical including machine oil was used in the facility.
 - 6.2 Material Safety Data Sheets were available, and there were hazard diagrams on chemical which needed careful handling.
 - 6.3 Employees in the workshop where chemicals were used confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

Evidence examined:

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill records on 30 December 2024 and 15 June 2024.
7. Trained first aiders register obtained on 23 March 2023 with three years' validity
8. Reports for fire protection acceptance of the buildings used
9. Reports of construction completion acceptance of the buildings used
10. Accident reports

- 11. Chemical list and MSDS for the chemical used in the facility
 - 12. Interviews with H&S manager
 - 13. Interviews with employees and H&S committee members
-

Findings: non-compliances

ZAF600853556

Non-compliance

Due 2025-05-20

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

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

Area of non-compliance/non-conformance

Local law

Base code

Description

Some finished goods were stored against the pillar. During facility tour, auditor found that some finished goods were stored against pillar in finished goods warehouse.

部分成品靠柱堆放。通过现场走访，审核员发现企业成品库中的部分成品靠柱堆放。

Corrective and preventative actions

The facility management stated that they would ensure all goods are properly stored in warehouse to leave proper distance from the pillar.

Strengthen the management and checked regularly it regularly.

Local law reference

In accordance with the General Rules for Fire Safety Management of Storage Occupancies XF1131-2014 Article 6.8

The following requirements shall be met for goods or materials to be piled up in warehouse:

- a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam);
- c) The distance between the goods or materials and the wall shall be no less than 0.5m;
- d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m;
- e) The distance between different stacking of goods or materials shall be no less than 1m.

Evidence



[Some finished goods were stored against the wall..JPG](#)



* PDF generated at 08:21 (UTC) on 21 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Chemical, such as machine oil, was used in the facility. Employees in the workshop where chemicals were used confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable Not applicable. There was no structural additions (e.g. added floors) in the facility.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the Child Labour Prevention and Remediation Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Hiring Procedure, which outlines the key mechanisms in place for preventing underage work and the placement of young workers in unsuitable positions. This procedure includes provision for non-employee (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation. The Senior Director is named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental HR leads are allocated responsibility to implement the Hiring Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The Child Labour Prevention and Remediation Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the Hiring Procedures is mandatory for all HR staff processing applications or on boarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of age-verification are defined by the Hiring Procedure. The procedure requires that audit of the records kept of this verification is conducted by the HR leads, increasing to monthly at times of peak hiring. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

1. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure, that prohibit juvenile worker and pregnant worker working in extreme working environment, though there was no juvenile worker or pregnant workers in the facility.
3. There was a written child labour remediation procedure, though there was no child labour in the facility.
4. The written worker roster was available.
5. The worker' personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy listed the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 28 years old.
6. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.

Evidence examined:

1. The employee's personnel files were provided for review. Each file includes a bio data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
2. The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labour under the age of 16 years old.
3. Facility tour
4. Management interview and employee interview.

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	28
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	The position of the company is clearly stated in the wages and benefit policy which meets all Workplace Requirements in this code area. The policy makes reference to the wages and benefit management procedure, which outlines that the facility will pay all employees' sufficient wages and proper benefits. The Senior Director is named within the wages and benefit policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads, HR leads and Financial leads are allocated responsibility to implement the wages and benefit management procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The wages and benefit policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the wages and benefit management procedure is mandatory for all employees annual. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. However, training for key individuals who arranged the production were missing leading to one systemic major NC that insufficient social insurance participated was raised in this audit. Responsibilities for monitoring implementation of wages and benefit policy in daily work are defined by the wages and benefit management procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads, HR leads and Financial leads. Records are kept of monitoring activities. However, the facility management stated that they only applied the monitoring without any records and one systemic major NC that insufficient social insurance participated was raised in this audit.

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC ZAF600853554

Systems and evidence examined to validate this code section

Current systems:

1. The facility had established procedures for wages and benefits and relevant training was provided for employees. Legal minimum wages were guaranteed for all employees. Employees were equally paid for equal work.
2. The local minimum wage was set at RMB 2490 per month equivalent to RMB 14.31 (2490/21.75/8) per hour since 1 January 2024.
3. Employees' wages were calculated on a monthly rate basis. Based on the provided payroll records, the minimum normal wage paid by the facility was RMB 2850 per month.
4. The wages training was well organized with a well-controlled set of processes which were understood by all employees.
5. All employees were provided with written and understandable information about their employment conditions with respect to wages before they entered employment and about the particulars of their wages for the pay period concerned with each time that they were paid.
6. Benefits such as paid public holidays, annual leave, and sick leave were given to employees hired by the facility directly, and child-bearing leave to appropriate employees.
7. Wages were paid through bank transfer before the end of each month. The payment calculation period was from the first day to the end of each month for employees. Each employee had signed their signature on the payroll records and they also were given a pay slip.
8. Based on the provided records, 150% and 200% of normal rates were paid by the facility for employees' overtime working on normal working days and rest days respectively, no overtime was arranged on official public holidays.
9. No withholdings or illegal deductions were made from wages.
10. In this audit, the auditor randomly selected material delivery records and cross checked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interviews, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
11. Through document review, auditor found that according to social insurance receipt in February 2025 provided by the facility, auditors noted that there were 25 employees in the facility including 16 employees who had reached retirement age. Only 4 employees (44.4%) had participated in basic endowment insurance, unemployment insurance, employment injury insurance, basic medical insurance and maternity insurance. Remark: Based on management interview and additional records review, the facility had purchased commercial group accidental injury insurance for 23 employees including 21 employees who had no social insurance, with one year's valid date till April 2025. This insurance was not mandated by PRC Social Insurance Law.

Evidence examined:

1. Procedures of wages and benefits and relevant training records
2. Document review and employee interview
3. Local and national laws
4. Wages and benefits policy
5. Local legal minimum wage documents
6. Payroll records from February 2024 to January 2025 and attendance records from 1 February 2024 to 12 March 2025 were reviewed.
7. Leave records
8. Social insurance and payment receipts from the local labour department
9. Labour contracts for all employees (to examine agreed wage rates)
10. Resignation records
11. Pay slips of all employees interviewed
12. Quality and production records, goods and material delivery records to cross check hours.

Findings: non-compliances

ZAF600853554

Non-compliance

Due 2025-05-20

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Insufficient social insurance participated. Through reviewing the social insurance receipt in February 2025 provided by the facility, auditors noted that there were 25 employees in the facility including 16 employees who had reached retirement age. Only 4 employees (44.4%) had participated in basic endowment insurance, unemployment insurance, employment injury insurance, basic medical insurance and maternity insurance.

Remark: Based on management interview and additional records review, the facility had purchased commercial group accidental injury insurance for 23 employees including 21 employees who had no social insurance, with one year's valid date till April 2025. This insurance was not mandated by PRC Social Insurance Law.

社会保险参保不足。通过查看企业提供的2025年2月份的社会保险收据，审核员发现企业有25名员工，其中16名员工达到了退休年龄。仅有4名员工（44.4%）参加了养老保险，失业保险，工伤保险，生育保险和医疗保险。

备注：通过管理层面谈和其他的记录审核，企业总共为23员工，包括无社保的21名员工，购买了团体意外伤害险，保单期限为1年，有效期至2025年4月。该保险不是社会保险法规定的险种。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

The facility would ensure all employees participate in all 5 types of social insurance as soon as possible.

The facility would ask employees to participate social insurance when hiring employees.

Local law reference

In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Evidence



[Insufficient social insurance participated..pdf](#)



* PDF generated at 08:21 (UTC) on 21 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

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

Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	160.0
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	12.0
	Max hours per month	56.0
Minimum legal wage	Min per hour	14.31
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2490.0
Actual minimum wage	Actual per hour	16.38
	Actual per day	131.03
	Actual per week	655.17
	Actual per month	2850.0
Minimum legal overtime wage	Min per hour	21.47
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	24.57
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples for January 2025 (current month) 10 samples for October 2024 (random month) 10 samples for June 2024 (random month)
Are there different legal minimum/ legally recognised CBAs wage grades?	No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above minimum wage.
Are there any bonus schemes used?	No
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current Systems: 1. The facility established its living wage standard according to ILO principles for Living Wage Estimation in Zhenjiang City, that based on (Food costs + Housing costs + Education costs + Healthcare costs + Other NFNH costs) * Family size / Number of workers per family + Additional Funds + Statutory deduction from pay, to ensure all employees living wage be above RMB 2700 per month. 2. The facility had conducted once internal audit regularly to check the compliance of wages, including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap. 3. The facility had established a wage improvement plan that aims to pay workers a living wage within a stated timeframe. 4. Management interview and worker interviews showed that all employees were paid higher than calculated living wage. Evidence examined: 1. Internal wage audit records 2. Wages and benefits policy 3. Payroll records from February 2024 to January 2025 4. Management interview and employee interview		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	The position of the company is clearly stated in the working hours policy which meets all Workplace Requirements in this code area. The policy makes reference to the working hours management procedure, which outlines that the facility will control employees' working hours and pay all employees' sufficient wages including overtime wages. The Senior Director is named within the working hours policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads, HR leads and Financial leads are allocated responsibility to implement the working hours management procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The working hours policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the working hours management procedure is mandatory for all employees annual. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. However, training for key individuals who arranged the production were missing leading to one systemic major NC that overtime hours exceeded the legal requirement was raised in this audit. Responsibilities for monitoring implementation of working hours policy in daily work are defined by the working hours management procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads, HR leads and Financial leads. However, the facility management stated that they only applied the monitoring without any records and one systemic major NC that overtime hours exceeded the legal requirement was raised in this audit.

Summary of findings

Code area	Workplace requirement	Local law	Finding
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6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC ZAF600853555
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Systems and evidence examined to validate this code section

- Current systems:
- 1. The facility had established working hours procedures. The facility had established workforce capacity, working hours control, and voluntary overtime management procedures and provided related training to management and employees regularly.
 - 2. All the employees in the employee interview stated that they worked overtime on a voluntary basis.
 - 3. In this audit, the auditor had randomly selected production records: material delivery records. And crosschecked these records with payroll records and attendance records, and no inconsistency was noted. In addition, through employee interviews, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
 - 4. The facility used a electronic attendance system to record employees' working hours. The peak season of the facility was not obvious in the last year.
 - 5. According to the attendance records provided and employee interview basic working hours were 8 hours per day and 40 hours per week.
 - 6. Based on the attendance records provided, employees had at least 1 day off per week.
 - 7. Overtime wages were paid at 150% and 200% of the normal rate for overtime on normal working days and rest days respectively, no overtime arranged on public holidays.
 - 8. Based on the attendance records provided, the status of overtime hours in the sample was as below:
 - 0-2 hour/ day in January 2025 (current month)
 - 0-2 hour/ day in October 2024 (random month)
 - 0-2 hours/ day in June 2024 (random month)
 - 12 hours/ week in January 2025 (current month)
 - 12 hours/ week in October 2024 (random month)
 - 12 hours/ week in June 2024 (random month)
 - 38 hours/ month in January 2025(current month)
 - 46 hours/ month in October 2024 (random month)
 - 56 hours/ month in June 2024 (random month)
- Evidence examined:
- 1. Employee interview
 - 2. Management interview
 - 3. Local and national laws
 - 4. Facility policy on working hours
 - 5. Time records in an electronic keeping system
 - 6. Sample pay slips with recorded hours of all employees interviewed
 - 7. Attendance records from 1 February 2024 to 12 March 2025 were reviewed
 - 8. Material delivery records to cross-check hours
 - 9. Employees contracts

Findings: non-compliances

ZAF600853555		Non-compliance	Due 2025-05-20
Code area 6 Working hours are not excessive		Status Open*	
Workplace requirement 6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.		Time given to resolve 60 days	
Issue title 480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)		Verification method Follow up audit	
Description Overtime hours exceeded the legal requirement. Through document review, auditor found that: 1) in January 2025 (current month), the monthly overtime hours 10 out of 10 randomly selected employees were 38 hours. 2) in October 2024 (random month), the monthly overtime hours 10 out of 10 randomly selected employees were 46 hours. 3) in June 2024 (random month), the monthly overtime hours 10 out of 10 randomly selected employees were 56 hours. 加班时间超过法规要求。通过文件审核，审核员发现： 1) 在抽取的2025年1月份（当前月）的考勤中，随机抽取10名员工中10名的月加班时间为38小时。 2) 在抽取的2024年10月份（随机月）的考勤中，随机抽取10名员工中10名的月加班时间为46小时。 3) 在抽取的2024年6月份（随机月）的考勤中，随机抽取10名员工中10名的月加班时间为56小时。		Area of non-compliance/non-conformance Local law Base code	
Corrective and preventative actions The facility stated that they would reduce the overtime hours to ensure it to be within 36 hours per month. Enhance the training and management for the working hours.			
Local law reference In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.			
Evidence			

考勤号码	姓名	部门	日期	时间
KC019	陈	维修部	2024-06-01	08:00 12:03 12:51 17:01
KC019	陈	维修部	2024-06-02	
KC019	陈	维修部	2024-06-03	07:58 12:08 12:55 17:08
KC019	陈	维修部	2024-06-04	07:55 12:08 12:58 17:08
KC019	陈	维修部	2024-06-05	07:58 12:00 12:58 17:07 17:22 19:31
KC019	陈	维修部	2024-06-06	07:53 12:00 12:58 17:02
KC019	陈	维修部	2024-06-07	07:49 12:10 12:49 17:00 17:21 19:37
KC019	陈	维修部	2024-06-08	07:49 12:03 12:57 17:10
KC019	陈	维修部	2024-06-09	
KC019	陈	维修部	2024-06-10	
KC019	陈	维修部	2024-06-11	07:53 12:03 12:58 17:03
KC019	陈	维修部	2024-06-12	07:58 12:05 12:50 17:02 17:20 19:33
KC019	陈	维修部	2024-06-13	07:50 12:08 12:57 17:08
KC019	陈	维修部	2024-06-14	07:54 12:11 12:58 17:03 17:20 19:39
KC019	陈	维修部	2024-06-15	07:58 12:11 12:52 17:08
KC019	陈	维修部	2024-06-16	
KC019	陈	维修部	2024-06-17	07:56 12:00 12:50 17:05 17:19 19:35
KC019	陈	维修部	2024-06-18	07:51 12:04 12:55 17:04
KC019	陈	维修部	2024-06-19	07:53 12:10 12:58 17:07 17:27 19:33
KC019	陈	维修部	2024-06-20	07:52 12:00 12:49 17:04
KC019	陈	维修部	2024-06-21	07:57 12:07 12:53 17:03
KC019	陈	维修部	2024-06-22	07:55 12:03 12:50 17:08
KC019	陈	维修部	2024-06-23	
KC019	陈	维修部	2024-06-24	07:59 12:11 12:57 17:09 17:22 19:37
KC019	陈	维修部	2024-06-25	08:00 12:10 12:55 17:04 17:20 19:36
KC019	陈	维修部	2024-06-26	07:50 12:04 12:53 17:04
KC019	陈	维修部	2024-06-27	07:58 12:10 12:52 17:00
KC019	陈	维修部	2024-06-28	07:57 12:05 12:58 17:02
KC019	陈	维修部	2024-06-29	07:57 12:08 12:58 17:06
KC019	陈	维修部	2024-06-30	

Monthly overtime working hours exceeded legal requirement..png

* PDF generated at 08:21 (UTC) on 21 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Not applicable. Employees were paid at least 150% and 200% rate of standard wage for overtime hours in normal workdays and rest days, and no overtime hours in public holidays observed.
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?	52.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	52.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in no discrimination policy which meets all Workplace Requirements in this code area. The policy makes reference to the no discrimination and hiring procedure, which outlines prohibiting discrimination during hiring and promoting. The Senior Director is named within the no discrimination policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement the no discrimination and hiring procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The no discrimination policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the no discrimination procedure is mandatory for all HR staff processing applications or on boarding and management employees. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of no discrimination in hiring and promoting are defined by the no discrimination procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

1. As informed by the employees interviewed, most employees spoke highly of the facility owner.
2. Equal pay for equal jobs in the facility.
3. No employee was required to do the examination of hepatitis B virus and HIV.
4. The facility had established procedure on equity for recruitment, training, development and promotion processes, that all employees could be provided opportunities of recruitment, training, development and promotion processes equally on skills, abilities and personal willingness. And the facility had a dedicated equity approach in all these processes. There were no cases of sexual harassment in the facility.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sample employees were aware of the grievance channels in case they encountered any discrimination cases.
7. No document showed any differential treatment of different workers, constituting discrimination.

Evidence examined:

1. The hiring and termination procedure, anti-harassment procedure, leave application records, and employee handbook.
2. Payrolls records
3. Attendance records
4. Termination records
5. Training records
6. Employees' interview

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)?	8%
Representation of women in managerial roles (ratio of women workers to women managers)	9%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	9%
Three most common nationalities in managerial and supervisory roles	All managers and supervisors were Chinese.

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in regular employment policy which meets all Workplace Requirements in this code area. The policy makes reference to the hiring procedure, which outlines that the facility should hire employees under the requirement of local law. The Senior Director is named within the regular employment policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement the hiring procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The regular employment policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the hiring procedure is mandatory for all HR staff processing applications or on boarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of regular employment are defined by the no discrimination procedure. The procedure requires that audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. All employees were recruited by the facility directly. No labor agency was used to hire employees. No temporary employee, apprenticeship schemes or home employee was identified by the auditors.
2. No subcontractors were used.
3. All employees had received copies of signed labor contracts.
4. An effective management system was implemented to identify and monitor the hiring and management of all workers. All workers were hired legally and treated equally in the facility.
5. No temporary worker and apprenticeship scheme existed in the facility. No homeworking existed in the facility.
6. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing the written recruitment policy and procedure, the recruitment notice at the gate, payrolls, etc.
7. The labour contracts of all workers were available for review. The labour contracts were signed by the workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Evidence examined:

1. The Recruitment and termination practices
2. Personal files with labour contracts and ID copies for the employees
3. Payroll records were provided for review.
4. Training records about the recruitment policy and procedure
5. Management interview and employee interview

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%

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the Sub-contracting and homeworkers Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Sub-contracting and homeworkers Procedure, which outlines Sub contracting and homeworkers would be under control and approved by client. The Senior Director is named within the Sub-contracting and homeworkers Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement Sub contracting and homeworkers Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The Sub-contracting and homeworkers Policy is available and communicated to all management staffs, and there is a general awareness of it amongst staff interviewed. Training on the Sub-contracting and homeworkers Procedures is mandatory for all management staffs processing applications or onboarding. Responsibilities for monitoring the implementation of employees' rights are defined by the Sub-contracting and homeworkers Procedure. The procedure requires that an audit of the records kept of this verification is conducted by the CSR team members. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

Current systems:

1. A onsite tour showed that all production processes were present in the unit, no subcontracting or homeworking used by the facility and all processes were conducted in the facility.
2. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

Evidence examined:

1. Written procedure of subcontracting management system
 2. Production records were provided for review and there was no sign of subcontracting or homeworking.
 3. Management interview
 4. Employees' interview
 5. Onsite tour
-

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
The facility had monitored its suppliers that no suppliers had used homeworkers. And the facility did not use homeworkers.

Sub-contracting

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

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the No harsh or inhumane treatment Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the No harsh or inhumane treatment Procedure, which outlines No harsh or inhumane treatment would be under control and approved by CSR teams. The Senior Director is named within the No harsh or inhumane treatment Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement No harsh or inhumane treatment Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The No harsh or inhumane treatment Policy is available and communicated to all management staffs and employees, and there is a general awareness of it amongst staff interviewed. Training on the No harsh or inhumane treatment Procedures is mandatory for all management staffs and employees processing applications or onboarding. Responsibilities for monitoring the implementation of employees' rights are defined by the No harsh or inhumane treatment Procedure. The procedure requires that an audit of the records kept of this verification is conducted by the CSR leads. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section

Current systems:

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure.
2. As for management interview, document review and employee interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which was an anonymous email address, where employees can report any grievances (harassment, bullying, discrimination etc.), any complaint received will be handled by management, without any reprisal for the employee in question. All sample employees were aware of this system.
4. Through employee interview, no harsh or inhumane treatment occurred in the facility.

Evidence examined:

1. The relevant policy on the prevention of harassment and abuse.
2. Internal grievance procedure documentation.
3. Training records.
4. Employee interview

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
What type of grievance mechanism(s) are available?	Grievance mechanism was established in the facility. Employees could raise grievance to manager directly or through suggestion boxes, worker representatives. No grievance was reported in the past 12 months.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the Environment Protective Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Environment Protective Procedure, which outlines Environment Protective would be under control and approved by CSR teams. Environment Management System was established and implemented well. The Senior Director is named within the Environment Protective Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental CSR leads are allocated responsibility to implement Environment Protective Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The Environment Protective Policy is available and communicated to all management staffs and employees, and there is a general awareness of it amongst staff interviewed. Training on the Environment Protective Procedures is mandatory for all management staffs and employees processing applications or onboarding. Responsibilities for monitoring the implementation of employees' rights are defined by the Environment Protective Procedure. The procedure requires that an audit of the records kept of this verification is conducted by the CSR team members. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

- Current systems:
- 1. The facility established the environmental protection policy and set up an environmental management system.
 - 2. There was a complete system in place to collect and update relevant environment protection laws and regulation, and to monitor end client's environmental standards/code requirements.
 - 3. The facility met local law requirements regarding environment. The facility had obtained environmental pollutants discharge registration. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.
 - 4. Mr. Gao / Factory Director was responsible for continuous improvements in their environmental performance. The facility was aware of the significant environmental impact of their site and its processes. The facility conducted training for all employees on the avoidance of environmental impact.
 - 5. The facility had maintained a list of hazardous substances which were compliant with their clients' requirements and relevant legislation in the destination countries.
- Evidence examined:
- 1. Environment protection laws and regulation list
 - 2. Pollutant discharge registration obtained with valid date till 23 July 2028.
 - 3. The appointment paper for the senior management of environmental management system and environmental training records
 - 4. Management interview and employee interview
 - 5. Facility tour

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 facility did not obtain such certificate.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. The facility established the environmental protection policy and set up an environmental management system. 2. The facility had identified and monitored the potential negative environment impacts and had in place system to prevent, mitigate or remedy the impacts of its operation. 3. The environmental policies and procedure including commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders were endorsed by one senior manger and had been communicated to all relevant stakeholders by training and written notice. 4. The facility had established water and energy-saving procedures and set up resource use target. In addition, the facility had made a plan to reach the target. 5. The facility had properly recorded all the resource use including energy and water monthly. In addition, the facility had recorded all the materials used and the waste discharged including solid waste. 6. The unit of total product produced in the Usage/discharge analysis table was pieces in the section of Site Details and Data Points in 10.B: Environment 4-Pillar. Evidence examined: 1. Environmental policy, procedures 2. Environmental training records 3. Resource use target and plan 4. Water bills and Energy bills 5. Records of resource use and material used 6. Waste discharge record 7. Management interview and employee interview 8. Facility tour		

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Sustainable material sourcing
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The facility had set up a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	71,460	72,230
Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	Data not available	Data not available

Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	Local water authority	Local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	516	533
Water discharged	Municipal sewage	Municipal sewage
Water volume discharged (m3)	460	480
Water volume recycled (m3)	Data not available	Data not available
Total waste produced (mt)	12	13
Total hazardous waste produced (mt)	Data not available	Data not available
Waste to recycling (mt)	Data not available	Data not available
Waste to landfill (mt)	Data not available	Data not available
Waste to other (mt)	12	13
Total product produced (mt)	36	40

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The position of the company is clearly stated in the Business ethics Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Business ethics Procedure, which outlines Business ethics would be under control and approved by Senior Managements. The Senior Director is named within the Business ethics Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental Senior Management are allocated responsibility to implement Business ethics Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence. Training at site is governed by a training procedure which is the specific responsibility of the Training Manager. The Business ethics Policy is available and communicated to all management staffs and employees, and there is a general awareness of it amongst staff interviewed. Training in the Business ethics Procedures is mandatory for all management staffs and employees processing applications or onboarding. Responsibilities for monitoring the implementation of employees' rights are defined by the Business ethics Procedure. The procedure requires that an audit of the records kept of this verification is conducted by the Senior Management members. Records are kept of monitoring activities.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

1. Mr. Gao / Factory Director had been designated person responsible for implementing standards concerning Business Ethics.
2. Training for relevant staff on taking action to Business Ethics issue had been reviewed.
3. The site had received and read the Business Ethics policy of the auditor/audit company.
4. There were some internal grievance processes, which was a management suggestion box.
5. There was a system in place to monitor end client's Business Ethics standards/code requirements.
6. The facility was operating legally and had the correct & valid business license. The facility had provided the immovable property certificate for review.

Evidence examined:

1. The company business ethics policy including Bribery and Corruption.
2. Training record
3. Records from anonymous suggestion scrip.
4. Business license and the immovable property certificates
5. Management interview and employee interview

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	No such certificate was obtained.

Attachments



[Evacuation map.JPG](#)



[Electronic box with warning sign.JPG](#)



[PPE signs.JPG](#)



[Fire hydrant.JPG](#)



[Fire extinguishers.JPG](#)



[Finished goods warehouse.JPG](#)



[Smoke detector.JPG](#)



[Evacuation sign.JPG](#)



[Raw material warehouse.JPG](#)



[Weaving and knitting workshop.JPG](#)



[Facility name.JPG](#)



[No smoking sign.JPG](#)



[Route.JPG](#)



[Fire alarm with backup power.JPG](#)



[Fixing device for rolling door.JPG](#)



[Facility gate.JPG](#)



[Metal Glove.JPG](#)



[Suggestion box.JPG](#)



[Drinking water.JPG](#)



[Knitting gloves workshop.JPG](#)



[Protective cover for machine.JPG](#)



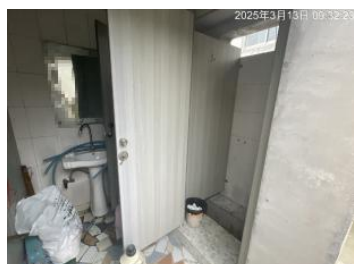
[Cutting workshop.JPG](#)



[Safety exit sign, emergency light and fire alarm.JPG](#)



[Yarn reeling workshop.JPG](#)



[Toilet.JPG](#)



[Worker wore earplug and mask when working.JPG](#)



[Inspection and packing workshop.JPG](#)



[Attendance machine.JPG](#)



[Sewing workshop.JPG](#)



[First aid box.JPG](#)



[Production building.JPG](#)



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