

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 and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

2-pillar audits include:

- Labour standards:
 - 0. Enabling accurate assessment
 - 1. Employment is freely chosen
 - 1.A. Responsible recruitment and entitlement to work
 - 2. Freedom of association and right to collective bargaining are respected
 - 4. Child labour shall not be used
 - 5. Legal wages are paid
 - 5.A. Living wages are paid
 - 6. Working hours are not excessive
 - 7. No discrimination is practiced
 - 8. Regular employment is provided
 - 8.A. Sub-contracting and homeworkers are used responsibly
 - 9. No harsh or inhumane treatment is allowed
- Health and safety:
 - 3. Working conditions are safe and hygienic
- Environment:
 - 10.A. Environment 2-pillar

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

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

(2) Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

(3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit details

Site details

Sedex site reference	ZS418951130	Site name	Hebei Bandfar Garment Co Ltd
Business name	Hebei Bandfar Garment Co Ltd	Site address	055550 No. 113, Gongye Road, Ningjin County, Xingtai City, Hebei Province 河北省邢台市宁晋县工业路113号, xingtai, CN

Audit details

Sedex company reference	ZC418924459	Auditor company name	Intertek Shanghai
Audit company address	3/F No,5,Lane 2028,Changzhong Rd, Shanghai, CN, 200435		
Date of audit	2025-09-22	Audit conducted by	snail zhang
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
Time in and out	Day 1	Day 2	
	In 09:00	In	08:30
	Out 17:10	Out	14:30
Audit type	Full initial		
Was the audit announced?	Semi announced		
Was the Sedex SAQ available for review?	Yes		

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Who signed and agreed CAPR? Mr. Jianhua Yin / Admin Manager

Any conflicting information SAQ/Pre-Audit Info No

Is further information available? No

Audit attendance

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

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

This audit was semi-announced. The audit window period was from 1 September 2025 to 30 September 2025.

Lead auditor	snail zhang	APSCA Number	21700534
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Additional auditor	cathy zhang	APSCA Number	21700428
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Date of declaration	2025-09-23
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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	Mr. Jianhua Yin
Title	Admin Manager
Date of declaration	2025-09-23

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601115951
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601115952
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601115953

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

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	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	ZC418924459	
Sedex site reference	ZS418951130	
Company name	Hebei Bandfar Garment Co Ltd	
Business ownership type	GOODS	
Site name	Hebei Bandfar Garment Co Ltd	
Site name in local language	河北奔发制衣有限公司	
GPS location	GPS address	No. 113 Gongye Road, Ningjin County, Xingtai City, Hebei Province, China 中国河北省邢台市宁晋县工业路113号
	Coordinates	E114.966346, N37.621124
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Jianhua Yin
	Job title	Admin Manager
	Phone number	13325215388
	Email	bf15132942228@163.com

[← Management systems](#)

[Worker analysis →](#)

Company and site details

Applicable business and other legally required business license numbers and documents

1. The business license number: 91130528728793488D; Valid date: from 1 June 2001 to 31 May 2042.
2. Pollutant Discharge Registration: 91130528728793488D001W, Valid Date: from 4 September 2025 to 3 September 2030.
3. Fire protection acceptance certificates: 宁公消验[2008]第0233号, date of issued: 13 May 2008; 字公消验[2005]第0019号, date of issued: 18 August 2005.
4. Construction completion acceptance reports: No document No., Acceptance Date: 31 January 2008, 13 May 2005.

Site scope

Building 1	Last construction works on site	2008
	If building is shared, provide details	Not applicable.
	Number of floors	3
	Description of floor activities	1F: Showroom, office 2F: Sample making, office 3F: Office About 2369 square meters
Building 2	Last construction works on site	2008
	If building is shared, provide details	Not applicable.
	Number of floors	1
	Description of floor activities	Production workshop, about 4069 square meters
Building 3	Last construction works on site	2008
	If building is shared, provide details	Not applicable.
	Number of floors	1
	Description of floor activities	Production workshop, about 1400 square meters
Building 4	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Production workshop, about 925 square meters

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[Worker analysis →](#)

Site scope

Building 5	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Security guard room 1, about 8 square meters
Building 6	Last construction works on site	2008
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Security guard room 2, about 8 square meters
Building 7	Last construction works on site	2005
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Production workshop, about 2014 square meters
Building 8	Last construction works on site	2005
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Warehouse, about 5600 square meters

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[Worker analysis →](#)

Site scope

Building 9	Last construction works on site	2005
	If building is shared, provide details	Not applicable
	Number of floors	1
	Description of floor activities	Security guard and fire control room, about 20 square meters

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 transportation is provided for employees.

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[Worker analysis →](#)

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	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 shift work at the site? No

Site assessments

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

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

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

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[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	69 (14.7%)	400 (85.3%)	- -	469 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	69 (14.7%)	400 (85.3%)	- -	469 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Site details](#)

[Worker interviews →](#)

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	0 (0%)	4 (100%)	- -	4 (0.9%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	0 (0%)	4 (100%)	- -	4 (0.9%)

* % of total workforce

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

4 employees were domestic migrant employees from other provinces of China including Shanxi, Shandong, Jiangsu and Gansu.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	6 (75%)	2 (25%)	- -	8 (1.7%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

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

Describe how this may vary during peak periods Not applicable, no peak season existed in the 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	15%	85%	-	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	69 (14.7%)	400 (85.3%)	- -	469 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	69 (14.7%)	400 (85.3%)	- -	469 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

Not applicable. No other payment cycle was used in the facility.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	8 (47.1%)	9 (52.9%)	- -	17
Supervisors or team leaders	4 (21.1%)	15 (78.9%)	- -	19
Administrative staff	11 (31.4%)	24 (68.6%)	- -	35

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews 6 groups of 5 employees

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
Hours worked, rest days or breaks
Pay
Work atmosphere (e.g. treatment by supervisors)

Additional comments

42 employees were selected for interview; they were interviewed as 6 groups of 5 employees and the balance of 12 employees were interviewed individually. All the interviewees were favorable with the management and facility environment. 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 and that they were satisfied with the current wages which were in line with wages in the locality in their view.

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 employee representative was interviewed. Interviews with the employee representative, she said that employees were happy with the working conditions and salary, and she could give suggestions on all parts of the site's practices.

Attitude of workers

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, included accompanying the onsite tour, providing documents and arrangement of employee interviews etc., and the audit was conducted smoothly. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for employees' interview and the management allowed auditors to select employees for interviews. In the closing meeting, the management agreed with the found non-compliance and stated that they would take relevant corrective and preventive actions for the found non-compliance as soon as possible. The management did not raise any negative feedback for the audit.

Workers interviewed by type

	Total
Permanent workers	42
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	42

Workers interviewed by group/individual

	Men	Women	Other	Total

Workers interviewed by group/individual

Workers interviewed in groups	7	23	-	30
Workers interviewed individually	3	9	-	12

Migrant workers interviewed

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

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

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

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

Rate of absenteeism (%)*

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

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

Are accidents recorded? Yes

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

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

[← Worker interviews](#)

[Code area 0 →](#)

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

Previous full calendar year (2023)	0.0%	0.0%	-	0.0%
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Percentage of workers that work on average more than 60 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (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	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility management was open and cooperative throughout the process of the audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for employees' interview and the management allowed auditor to select employees for interviews. At the end of the audit, all the findings were accepted by the facility management.
2. The facility provided the auditor with genuine and authentic records. No inconsistency record was found during this audit.
3. During the opening meeting, auditor communicated the anti-bribery policy and transparency policy to facility management. During the whole audit, the facility management did not offer bribes to or threaten the auditor, nor in any way induce the auditors to be dishonest.
4. The facility provided an accurate site description and Sedex site profile declared prior to or during the audit.
5. The facility 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 the general manager. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures or stamps. The facility communicated the policy to all employees by poster and training.
6. The facility finished and provided the SAQ for review.

Evidence examined:

1. Business license, lease contracts
2. Social compliance procedures including human rights policy
3. Training records
4. Facility tour
5. Employee interview
6. Management interview
7. SAQ provided by facility

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

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the employment was freely chosen policy which met all Workplace Requirements in this code area. The policy made reference to the no forced labour and hiring procedure, which outlined 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 workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. Procedure outlines processes and responsibilities, including HR responsible person, for undertaking remediation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the employment freely chosen policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the no forced labour and hiring procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The employment was freely chosen policy was available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the no forced labour and hiring procedure (employment was freely chosen policy) was mandatory for all employees, management staff processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers assured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of employment was freely chosen policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year once per year. Records were kept for

Management systems

monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold employees' ID cards; the facility did not limit the employees' freedom; the facility prohibited forced, bonded or involuntary prison labour; and employees were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the employees 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 employees.
3. The employing handbook – given to all employees on joining, states that employees were free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period; the resigned employees would be given their full wages on their last day of work; according to the onsite observation and employee interviews, the employees 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 employees were free to leave the workplace outside of their working hours, 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 employees and conduct body search.
5. The facility paid wages to employees at around end of each month without delay.
6. The facility did not require any payment for work tools, PPE, training, etc.
7. The facility did not use prison labour.
8. The facility did not control employees through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment.
9. The above was confirmed in management and employee interview.

Evidence examined:

1. The facility's policy to ensure employment was freely chosen was reviewed.
2. Resignation records of recent 12 months
3. The training records about no forced, bonded or involuntary prison labour
4. Employee handbook
5. Payroll records
6. Job description for security guards
7. 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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the responsible recruitment and entitlement to work policy which met all Workplace Requirements in this code area. The policy made reference to the hiring procedure, which outlines the key mechanisms in place such as 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 workers (if applicable). The procedure outlines processes and responsibilities, including HR responsible person, Supervisors, Employees and etc. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the responsible recruitment and entitlement to work policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the hiring procedure (including responsible recruitment and entitlement to work) in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which is the specific responsibility of the Office management team. The responsible recruitment and entitlement to work policy was available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the hiring procedure was mandatory for all employees, management staff processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers assured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its

Management systems

social compliance including the implementation of responsible recruitment and entitlement to work policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility did not use agency employees and all employees were recruited directly by the facility and no agency was involved in facility's recruitment processes. The labour contracts were signed by employees themselves and one copy was provided to employees. The interviewed employees knew clearly the contents of the labour contracts.
2. Through interview, the nature of work, working conditions, living conditions, employment terms, wages and benefits, working hours and etc. were accurately communicated to employees during the recruitment period.
3. No recruitment fee was needed, the work clothes, masks, gloves, etc were provided for employees free of charge.
4. Through document review, facility management representation and employee interview, all employees were Chinese. There was a total of 469 employees (excluding 17 managers, 54 supervisors and admin staff) worked in the facility. 465 employees were local employees, 4 employees came from other Provinces of China including Shandong, Shanxi, Jiangsu and Gansu. No foreign migrant employees worked in the facility. All employees had the proper legal rights to work in this region.
5. During the recruitment, the facility reviewed the original ID cards for the identification and returned it to employees after checking, only copies were kept in employees' personal files.
6. No child labor or juvenile employee worked in the facility, the facility would not hire any employee under 16 years old during recruitment process and if juvenile employees were hired, appropriate requirements and protection would be included and monitored by the facility. The youngest employee was 19 years old.

Evidence examined:

1. Hiring procedure
2. Personnel files including ID cards copies, labour contracts
3. Employee handbook
4. Latest employee roster
5. Training records
6. Management and employee 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 (excluding dispatched labour) on site?	No
Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview?	Not Applicable
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Not Applicable

Migrant workers

Do any workers migrate across international borders to work at this site?	No
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[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 0%

Do any workers migrate from other states, provinces or regions within the country to work at this site? Yes

List the sending states/provinces/regions 4 employees were domestic migrant employees from other provinces of China including Shanxi, Shandong, Jiangsu and Gansu.

Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

The facility conducted due diligence on recruitment fees and related costs. No such fee or cost was paid by workers during the recruitment and employment process.

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the freedom of association and right to collective bargaining policy which met all Workplace Requirements in this code area. The policy outlined validate that the facility respect employees' legal rights in relation to trade unions, collective bargaining agreements and worker committees, appropriate time and space would be provided for worker representatives to communication if needed. This procedure includes provision for non-employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the freedom of association and right to collective bargaining policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the freedom of association and right to collective bargaining policy in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which is the specific responsibility of the Office management team. The freedom of association and right to collective bargaining policy was available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the hiring procedure was mandatory for all employees, management staff processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers assured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of freedom of association and right policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring

Management systems

activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 1.A](#)

[Code area 3 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. During document review, management and employee interview, no union existed in the facility.
2. There were 6 employee representatives elected in the facility. Employee interview confirmed that the employee representatives were elected by fellow employees, and the facility did not interfere in her activities, did not prohibit, discourage or interfere with employees' rights to join a trade union of their own choosing or other form of employee representation such as worker committee.
3. The facility management adopted an open attitude towards the activities of employee representative. Employee representatives were not discriminated against and has access to carry out her representative functions in the workplace. The facility management and employee representative conducted meetings quarterly and the latest meeting was conducted in August 2025, the meeting records were kept and provided for review.
4. Employees could explain their suggestions or complaints to employee representative, suggestion box or to management directly.
5. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join workers' organization and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the workers' organization, etc.
6. The response records for workers' suggestions and appeals were available for review.

Evidence examined:

1. Written freedom of association procedure
2. Employee handbook which showed nobody would be treated differently whether they were members of the union.
3. Meetings minutes between employee representative and management
4. Internal suggestion and complain feedback
5. Employee interview and management interview

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

[← Code area 2](#)

[Code area 3 →](#)

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

Fundamental Improvements Required

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the health and safety policy which met all Workplace Requirements in this code area. The policy made reference to the health and safety procedures including fire safety, machine safety, chemical safety and etc, which outlined that the facility provided safe and hygienic working conditions for employees. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The Office Director was named within the health and safety policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the health and safety procedures in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Fundamental Improvements Required

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The health and safety policy and procedures were available and communicated to all employees, and there was general awareness of it amongst employee interviewed. Training on the health and safety procedure was mandatory for all proper employees during daily work, the facility confirmed employees' knowledge during the training class through question. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure. However, some employees' awareness on machine safety still needs to be improved, they did not take seriously on the lack of needle guard for sewing machines, the facility should consider to increase training frequency to enhance employees' safety awareness.

4. Monitoring

Grade: Fundamental Improvements Required

The facility established a management procedure to verify the implementation of its social compliance including the implementation of health and safety policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Responsibilities for monitoring implementation of health and safety in daily work were defined by the EHS procedure. Records were

Management systems

kept for monitoring activities. However, the facility did not take sufficient measures to ensure needle guards were installed for all used sewing machines.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601115951

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management

1.1 Mr. Yin / Admin Manager was responsible for Health & Safety issues in the facility.

1.2 Potable water was freely available in all areas.

1.3 Sufficient clean toilets segregated by gender were available at all times to employees.

1.4 Ventilation, temperature and lighting were adequate for the workplace.

1.5 Minutes of meetings showed that there were regular meetings between the employees and the management, and each point was acted on.

1.6 Accident reports in last 12 months were available for review.

1.7 Valid qualification certificates for the principal in charge and person management of work safety in the facility were obtained and provided for review.

1.8 The facility conducted risk assessments on health and safety and provided personal protective equipment (PPE) such as glove, masks, etc to employees.

1.9 The facility provided regular health and safety training to employees.

2. Fire Safety

2.1 There were at least 2 exits from each work area and they were clearly marked.

2.2 Firefighting equipment was adequate and checks were up-to-date.

2.3 Fire drills were organized and recorded twice a year for all employees. The recent two drills were conducted on 18 August 2025 and 18 February 2025.

2.4 Fire safety training was provided for employees regularly.

2.5 Evacuation diagrams were posted in all areas and understood by all employees.

2.6 The open directions of the safety exit doors were adequate.

2.7 Evacuation routes were designed well with yellow lines and unblocked.

3. Electrical safety

3.1 There was one competent electrician worked in the facility and the certificate was available for review.

3.2 All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards.

4. Chemical safety

4.1 Chemicals such as machine oil, alcohol etc were used and stored properly in the facility. The facility kept one chemical list, Material Safety Data Sheets were available.

4.2 The facility provided training on chemical safety for related employees.

5. Medical services

5.1 There was one first aid kit with sufficient supplies in each workshop.

5.2 There were 6 trained first aiders in the facility, the qualification certificate was provided for review.

6. Machine Safety

6.1 Most machines were maintained well with proper safety guards installed.

However, no needle guard was installed on 30% sewing machines.

6.2 No special equipment was used in the facility.

7. Occupational health

7.1 Dust and noise existed in filling workshop, the facility conducted evaluation on occupational hazard factors and the result was acceptable.

7.2 The facility provided occupational health examination to relevant employees as legal requirement.

Evidence examined:

1. Health and safety policy and procedures
2. Health and safety training records
3. Health and safety committee minutes
4. Training certificates
5. Fire equipment maintenance records
6. Fire drill records on 18 August 2025 and 18 February 2025.
7. Training certificates for 6 trained first aiders (valid for 3 years since 24 June 2024)
8. Accident reports
9. Chemical list and MSDS
10. Risk assessment records
11. Management and employee interview

Findings: non-compliances

ZAF601115951

Non-compliance

Due 2025-10-29

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

Partial machines without protective devices. During facility tour, auditor found that no needle guard was installed for 30% sewing machines in sewing workshop.

Area of non-compliance/non-conformance

Local law

Base code

部分设备缺少安全防护装置。通过现场走访，审核员发现缝纫车间的30%缝纫机没有安装挡针板。

Corrective and preventative actions

The facility would install needle guard for sewing machines to comply with the law.
The facility would provided training to related employees and checked the safety devices regularly.

Local law reference

In accordance with National Safety Technical Code for Electric Equipments-GB19517-2023

Article 5.3 Protection from dangerous machinery

The requirements for mechanical hazard protection include the following aspects.

a) The product should have sufficient mechanical strength, good shell protection and corresponding stability, as well as a structure suitable for transportation.

b) The product should not have the following situations:

- 1) Sharp corners, edges and rough surfaces;
- 2) Contact or approach hazardous moving parts during normal use;
- 3) Flying of metal shavings and dust;
- 4) Gas overflow;
- 5) The shell is scorching heat or extreme low temperature.

Evidence

[← Code area 3](#)

[Code area 4 →](#)



[NC-Lack of needle guard.jpg](#)



* PDF generated at 05:20 (UTC) on 29 Sept 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 Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable 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

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the Child Labour Prevention and Remediation Policy which met all Workplace Requirements in this code area. The policy outlined 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 workers (if applicable). The Remediation Procedure outlined processes and responsibilities, including financial, for undertaking remediation. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team were allocated responsibility to implement the Child Labour Prevention and Remediation Procedure in named areas which include all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The Child Labour Prevention and Remediation Policy was available and communicated to all employees, and there was general awareness of it amongst employees interviewed. Training on the Child Labour Prevention and Remediation Policy and Procedures was mandatory for all employees, management staff processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of child labour prevention and remediation policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if

Management systems

any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. There was a written recruitment procedure which stated that employees must present their ID cards for proof of age but only copies were kept in the personnel files and the original ID cards would be given back to the employees; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile employee and pregnant employee protection procedure though there was no juvenile employee or pregnant employee in the facility.
3. There was a written child labour remediation procedure though there was no child labour in the facility.
4. The employee's 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 employee's name, household address and the date of birth. The employees' personnel files showed that the youngest employee was 19 years old.
5. The latest employee roster was available for review.
6. Management interview and employee interviews showed that the facility verified all employees' original ID cards at the time of recruitment and kept the photocopies of employees' 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.
2. The facility's policy on child labour was reviewed.
3. Facility tour
4. Latest employee roster
5. Management interview and employee interview.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	1%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the wages and benefit policy which met all Workplace Requirements in this code area. The policy made reference to the wages and benefit management procedure, which outlined that the facility would pay all employees' sufficient wages and proper benefits. This procedure includes provision for non-employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the wages and benefit policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the wages and benefit management procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Fundamental Improvements Required

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The wages and benefit policy were available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the wages and benefit management procedure is mandatory for all employees at least annually, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. Latest training was conducted in August 2025. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure. However, the training did not introduce the importance of the social insurance, through employee interview, some employees were not aware about it, which caused some employees were still unwilling to participate in social insurance.

4. Monitoring

Grade: Fundamental Improvements Required

The facility established a management procedure to verify the implementation of its social compliance including the implementation of wages and benefit policy and procedure. The procedure required that the monitoring was conducted by the Office

Management systems

management team once per year. Records were kept for monitoring activities. Not all employees participated in social insurance was identified during the annual internal audit, however, the facility did not take corrective actions to improve this issue. The insufficient social insurance participation is a common risk for production facilities in the same region. Enhancements is recommended to be made to fortify the management system and augment its overall efficacy.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601115952

Systems and evidence examined to validate this code section

Current systems

1. The local minimum wage standard was set at RMB 2000 per month equivalent to RMB 11.49 (2000/21.75/8) per hour since 1 January 2023.
2. The payroll records and attendance records required for review were provided by the facility timely. All employees' wages were calculated at hourly rate. Based on the provided payroll records, the minimum wage paid by the facility was at least RMB 14 per hour. No deduction from employees pay for disciplinary sanctions.
3. The wages information was well organized with a good controlled set of processes which were understood by all employees.
4. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
5. Benefits of paid annual leave, marriage leave, sick leave, etc was given to all employees.
6. The social insurance receipts from September 2024 to August 2025 were provided for review. Based on the social insurance records of August 2025, auditor found that there was total 540 employees (included 155 retirees hired to work and 0 newly hired employee) worked in the facility in August 2025, thus total 385 employees were eligibility for social insurance in August 2025. Out of the 385 employees, all 385 employees (100%) had participated in basic endowment insurance, employment injury insurance and unemployment insurance, only 34 employees (8.83%) had participated in basic medical insurance and maternity insurance. Total 12 months' social insurance records were reviewed, insufficient social insurance participation happened in all those 12 months. Remark: The facility provided Employer's Liability Insurance for 336 employees including the 155 retired employees, which will be valid till 18 January 2026.
7. The payment calculation period was from 1st to end of month and all employees were paid at around 25th of each month by cash. Each employee was given a pay slip for their wages.
8. In this audit, auditors randomly selected delivery in and out records, daily production records, inspection records, etc and crosschecked these records with attendance records, no inconsistency was noted. And the information obtained through employee interview matched with the provided records, no inconsistency was noted either.

Evidence examined:

1. Wages and benefits policy
2. Management and employee interview
3. Local and national laws
4. Local legal minimum wage documents
5. Payroll records for the period from August 2024 to July 2025 and attendance

records for the period from 1 August 2024 to 21 September 2025 were provided for review.

6. Leave records

7. Social insurance and payment receipts

8. Labour contracts for selected employees

9. Resignation records

10. Pay slips of all employees interviewed

11. Delivery in and out records, daily production records, inspection records

Findings: non-compliances

ZAF601115952

Non-compliance

Due 2025-11-28

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 document review and the latest social insurance records in August 2025, auditor found that there was total 540 employees (included 155 retirees hired to work and 0 newly hired employee) worked in the facility in August 2025, thus total 385 employees were eligibility for social insurance in August 2025. Out of the 385 employees, all 385 employees (100%) had participated in basic endowment insurance, employment injury insurance and unemployment insurance, only 34 employees (8.83%) had participated in basic medical insurance and maternity insurance. Total 12 months' social insurance records were reviewed, insufficient social insurance participation happened in all those 12 months. Remark: The facility provided Employer's Liability Insurance for 336 employees including the 155 retired employees, which will be valid till 18 January 2026.

Area of non-compliance/non-conformance

Local law

Base code

社会保险参保不足。通过文件查阅和2025年8月的最新社会保险记录，审核员发现在2025年8月份，企业共有540名员工（包括155名退休返聘人员和0名新雇用的员工），因此，有385名员工需要参加社会保险。其中，所有385名员工（100%）参加了基本养老保险、工伤保险和失业保险，仅34名员工（8.83%）参加了基本医疗保险和生育保险。总共查阅了12个月的社会保险记录，发现企业在过去12个月均没有全员参保。备注：企业提供了雇主责任险给336名员工包括了155名退休员工，有效期至2026年1月18日。

Corrective and preventative actions

The facility would ensure all employees participate in social insurance according to the Law. The facility would provided training to employees and persuade employees to participate in social insurance and increase their participation rate.

[← Code area 5](#)

[Code area 5.A →](#)

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



[NC-Insufficient social insurance.pdf](#)



* PDF generated at 05:20 (UTC) on 29 Sept 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 meet a living wage Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) Employees were paid by cash.
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
--	----------------

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

[← Code area 5](#)

[Code area 5.A →](#)

Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	12.0
	Max hours per month	56.0
Minimum legal wage	Min per hour	11.49
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2000.0
Actual minimum wage	Actual per hour	14.0
	Actual per day	112.0
	Actual per week	560.0
	Actual per month	2576.0
Minimum legal overtime wage	Min per hour	17.24
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual minimum overtime wage	Actual per hour	21.0
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	126
Provide the date and details of the records	42 samples from July 2025 (current month) 42 samples from May 2025 (random month) 42 samples from November 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	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility was aware of evaluation the local living wage, and they had completed the survey or calculating of the local living wage in July 2025. The facility used the Anker Methodology to calculate the local living wage. 2. Based on the provided attendance and payroll records, the basic wages paid to employees by the facility were higher than the living wage calculated by the facility during last 12 months. 3. The facility conducted evaluation on the local living wage and reviewed the employees' wages once per year to analysis if there was a gap between the actual wages and living wages. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Payroll records from August 2024 to July 2025 and attendance records from 1 August 2024 to 21 September 2025 were reviewed. 2. Production records: delivery in and out records, daily production records, inspection records 3. Living wage calculation records 4. Wage policy 5. Management and employee interview 		

6. Working hours are not excessive

Management systems

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

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

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

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Some Improvements Recommended

The position of the facility was clearly stated in the working hours policy which met all Workplace Requirements in this code area. The policy outlined that the facility would control employees' working hours and overtime hours and pay all employees' sufficient wages including overtime wages. This procedure includes provision for non employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually. However, the overtime control procedure did not contain proper actions to reduce the overtime.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the working hours policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the working hours management procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Fundamental Improvements Required

Training at site was governed by a training procedure which is the specific responsibility of the Office management team. The working hours policy was available and communicated to all employees, and there was general awareness of it amongst employees interviewed. Training on the working hours management procedure was mandatory for all employees at least annually, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. Latest training was conducted in August 2025. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure. However, the facility did not have sufficient training for the production arrangement team on how to reduce overtime reasonably and effectively. Monthly overtime hours exceeded legal requirement in most months in past 12 months.

4. Monitoring

Grade: Fundamental Improvements Recommended

The facility established a management procedure to verify the implementation of its social compliance including the implementation of working hours policy and

Management systems

procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. Monthly overtime hours exceeded legal requirement was identified during the annual internal audit, however, the facility did not take some measures to reduce the overtime, especially during more orders period. The monthly overtime hours exceeded legal requirement in most months in past 12 months. The overtime working is a common risk for production facilities in the same region. Enhancements is recommended to be made to fortify the management system and augment its overall efficacy.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601115953

Systems and evidence examined to validate this code section

Current systems:

1. The facility used an electronic attendance system (Facial identification and fingerprint) to keep all employees' working hours and then based on the attendance records to calculate wages.
2. All interviewed employees stated that they worked overtime on voluntary basis.
3. Based on the provided attendance and payroll records, employees were paid at least 150% and 200% of normal rate for their overtime working on normal working days and rest days respectively, no overtime was arranged on official public holidays in past 12 months.
4. In this audit, auditors randomly selected delivery in and out records, daily production records, inspection records, etc and crosschecked these records with attendance records, no inconsistency was noted. And the information obtained through employee interview matched with the provided records, no inconsistency was noted either.
5. No collective bargaining agreement existed in the facility.
6. According to the provided attendance records and employee interview, basic working hours were 8 hours per day and 40 hours per week, employees had at least one day off per week.
7. Based on the provided attendance records, the status of overtime hours in samples were as below:
 0-2 hours / day in July 2025 (current month)
 0-2 hours / day in May 2025 (random month)
 0-2 hours / day in November 2024 (random month)

 12 hours / week in July 2025 (current month)
 12 hours / week in May 2025 (random month)
 12 hours / week in November 2024 (random month)

 52 hours/ month in July 2025 (current month)
 46-48 hours/ month in May 2025 (random month)
 56 hours/ month in November 2024 (random month)

Evidence examined:

1. Employees interview
2. Management interview
3. Local and national laws
4. Facility policy on working hours
5. Sample payroll records with recorded hours all employees interviewed
6. Employees contracts
7. Payroll records for the period from August 2024 to July 2025 and attendance records for the period from 1 August 2024 to 21 September 2025 were provided for review.

8. Delivery in and out records, daily production records, inspection records

[← Code area 5.A](#)

[Code area 7 →](#)

Findings: non-compliances

ZAF601115953

Non-compliance

Due 2025-11-28

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 the monthly overtime hours all 42 randomly selected employees were 52 hours in July 2025 (current month), the monthly overtime hours of all 42 randomly selected employees were 46-48 hours in May 2025 (random month), the monthly overtime hours of all 42 randomly selected employees were 56 hours in November 2024 (random month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现在抽取的2025年7月份（当前月）的考勤中，所有42名随机抽取员工的月加班时间为52小时，在抽取的2025年5月份（随机月）的考勤中，所有42名随机抽取员工的月加班时间为46-48小时，在抽取的2024年11月份（随机月）的考勤中，所有42名随机抽取员工的月加班时间为56小时。

Corrective and preventative actions

The facility would reduce overtime hours to ensure it is within 36 hours per month through arranging the production reasonably and hire more employees.

Give documented training to relevant HR Department personnel and production supervisors, arrange production and order reasonably to gradually reduce monthly overtime to be within 36 hours per month.

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.

[← Code area 6](#)

[Code area 7 →](#)

Evidence



[NC-Monthly overtime exceeded legal requirement.pdf](#)



* PDF generated at 05:20 (UTC) on 29 Sept 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. As per local law, employees should be paid no less than 150%, 200% and 300% of normal rate on normal workdays, rest days and public holidays respectively. And based on the provided records, the facility paid 150% and 200% of normal rate to employees for their overtime hours on normal workdays and rest days respectively. No overtime was arranged on public holidays.
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

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in no discrimination policy which met all Workplace Requirements in this code area. The policy outlined prohibiting discrimination during hiring and promoting. This procedure includes provision for non employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the no discrimination policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the no discrimination procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The no discrimination policy was available and communicated to all employees, and there was general awareness of it amongst employees interviewed. Training on the no discrimination procedure was mandatory for all employees, HR staff processing applications or on boarding and management employees. The facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of no discrimination policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be

Management systems

adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current Systems:

1. As informed by interviewed employees, all employees spoke highly of the facility owner.
2. The facility ensured equal pay for equal work across all positions and departments.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. The facility had established comprehensive policies and procedures on anti-discrimination and equal opportunity. These policies, formulated through an equity based framework, explicitly prohibit discriminatory practices in recruitment, training, career development, and daily operations, while ensuring equitable access to resources and structured advancement pathways for all employees.
5. There was no gender-based divisions within the facility; both male and female employees were equally distributed across all types of work.
6. An internal grievance process existed, and all sampled employees confirmed awareness of the available grievance channels should they encounter any discrimination issues.
7. There was no evidence of sexual harassment or discriminatory practices within the facility.
8. No document showed any differential treatment to different workers, constituting discriminating.
9. The facility established a dedicated equity approach in recruitment, training, development and promotion processes which showed that the recruitment requirements such as educational background, skills, experience, and etc were set according to the job need and the recruitment requirements were open and transparent. And also, the facility would consider the female employees willing when arrange the training plan or activities to ensure they have the same opportunities to join all kinds of trainings and activities.

Evidence examined:

1. The hiring and termination procedure
2. Anti-discrimination policy and procedure
3. Employee handbook.
4. Payroll records
5. Attendance records
6. Leave application records
7. Termination records
8. Training records
9. Management and employee 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)? 17%

Representation of women in managerial roles (ratio of women workers to women managers) 2%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 3%

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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in regular employment policy which met all Workplace Requirements in this code area. The policy made reference to the hiring procedure, which outlined that the facility should hire employees under the requirement of local law. This procedure includes provision for non-employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the regular employment policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement the hiring procedure (including regular employment policy) in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The regular employment policy was available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the hiring procedure was mandatory for all employees, management staff processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of regular employment policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the

Management systems

effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary employee, apprenticeship schemes, or home employee was identified by the auditors.
2. The effective management system was in place to identify and monitor the hiring and management of all employees. The local employees and migrant employees were hired legally and treated equally in the facility.
3. All employees were hired legally and treated equally in the facility. No recruitment fee was required by facility. No foreign migrant employees worked at the facility.
4. The labour contracts of all employees were available for review. The labour contracts were signed by employees themselves. The interviewed employees 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.
5. The facility signed labour contracts in Chinese with employees within 30 days after employment and gave one copy to each employee.
6. All employees received pay slip in their own language when they were paid.
7. All employees were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and employees as well as reviewing of the written recruitment policy and procedure, payrolls, etc.

Evidence examined:

1. The recruitment and termination records
2. Personal files with labour contracts and ID copies for the employees
3. Payroll records
4. Trainings records about the recruitment policy and procedure
5. Management 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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility is clearly stated in the sub-contracting and homeworking Policy, which meets all workplace requirements in this code area. The policy stated that no sub-contracting was used unless previously agreed with the main client, never used home working in its supply line and etc. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The Sales and Production Director are named within the sub-contracting and homeworking policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team are allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The Sub-contracting and homeworking Policy was available and communicated to all management staffs and employees, and there was a general awareness of it amongst staff interviewed. Training in the subcontracting and homeworking procedures was mandatory for all employees, management staffs processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of sub-contracting and homeworking policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. Through facility tour, all production processes were present in the facility, no subcontracting or homeworking was used by the facility. 2. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Written procedure of subcontracting management 2. Production records were provided for review and there was no sign of sub-contracting or home-working. 3. Facility tour 4. Management and employee interview 		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The facility did not buy products or services from suppliers that use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
All manufacturing processes could be completed in the facility and no sub-contracting was used.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used?

No

[← Code area 8.A](#)

[Code area 9 →](#)

9. No harsh or inhumane treatment is allowed

Management systems

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

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

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

Monitor the effectiveness of procedures to meet policy and workplace requirements Robust Management Systems

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the No harsh or inhumane treatment policy which met all Workplace Requirements in this code area. The policy outlined No harsh or inhumane treatment would be under control and approved by CSR teams. This procedure includes provision for migrant workers, female workers, disabled workers and non-employee workers (if applicable). The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The HR responsible person was named within the No harsh or inhumane treatment policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement No harsh or inhumane treatment Procedure in named areas which included all areas of the business. procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The No harsh or inhumane treatment Policy was available and communicated to all management staffs and employees, and there was a general awareness of it amongst staff interviewed. Training on the No harsh or inhumane treatment Procedures was mandatory for all employees, management staffs processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of no harsh or inhumane treatment policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to

Management systems

evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehaviour 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. There was a policy on Harsh Treatment which indicated that facility prohibited any harsh or inhumane treatment, including gender-based violence and harassment. The policy was also communicated to employees through regular training.
3. There was an internal process for grievance, such as suggestion box, worker representative, etc. Employees can report grievances (harassment, bullying, discrimination etc.), any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware of this system.
4. The facility did not engage in or facilitate harsh or inhumane treatment of employees, including gender-based violence and harassment. Through management and employee interview, no harsh or Inhumane Treatment occurred in the facility.

Evidence examined:

1. The relevant policy on prevention of harassment and abuse
2. Internal grievance procedure
3. Training records
4. Disciplinary procedure
5. Employee manual
6. Management and 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')?	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p>
What type of grievance mechanism(s) are available?	There was suggestion box and an internal phone number of managers for reporting grievances.
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

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the environment protective policy which met all Workplace Requirements in this code area. The policy outlined Environment Protective would be under control and approved by Factory Director. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The Office Director was named within the Environment Protective Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team members were allocated responsibility to implement environment protective procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The environment protective policy was available and communicated to all management staffs and employees, and there was a general awareness of it amongst employees interviewed. Training on the environment protective procedures was mandatory for all employees, management staffs processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of environment protective policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	<p data-bbox="555 712 751 734">Current systems:</p> <ol data-bbox="555 748 1533 1256" style="list-style-type: none"> 1. The facility established the environmental protection policy, and collected laws and regulations, customer requirement on environmental protection regularly, integrated into its policies after evaluation. 2. The facility complied environment impact assessment (EIA) report, obtained (EIA) approval and environmental protection acceptance checks report as required by local law. 3. There was no industrial waste air or wastewater generated in the facility. The facility finished Pollutant Discharge Registration, which will be valid till 3 September 2030. 4. The facility established chemicals list which showed the main chemicals used in the facility were machine oil, alcohol, etc, which was compliance with legal requirements. 5. Mr. Yin / Admin Manager was responsible for environmental issues. 6. The facility has not been subject to (or pending) any fines/prosecutions for noncompliance with environmental regulations. <p data-bbox="555 1308 783 1330">Evidence examined:</p> <ol data-bbox="555 1344 1485 1630" style="list-style-type: none"> 1. Environmental policy 2. Environment impact assessment (EIA) report, (EIA) approval and environmental protection acceptance checks report. 3. Monitoring test reports of boundary noise 4. Pollutant Discharge Registration 5. Environmental training records 6. Facility tour 7. Management and employee interview 		

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?

None

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

No

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

No

[← Code area 10.A](#)

[Code area 10.B →](#)

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility established the environmental protection policy and environmental management system, and identified the potential environment impacts of its operations. 2. Mr. Yin / Admin Manager was appointed to be responsible for environmental issues. 3. The facility had collected the document of legal requirement and client's requirement on environment. The facility conducted the training for all employees on the avoidance of environmental impact. And communicated the environmental protection policy and requirements to its business partners. 4. The facility established energy conservation and reduction policy. The facility used electricity and water in its operation, and recorded the electricity use, water use, wastes. <p>Details:</p> <ol style="list-style-type: none"> 1. Environmental training records 2. Environmental policy and environmental management system 3. Electricity bills and records 4. Water bill and records 5. Site tour 6. Employee and management interview 		

10.B. Environment 4-Pillar

Data points

<p>Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?</p>	<p>Yes</p>
<p>What additional specific environmental policies does the site capture?</p>	<p>Sustainable material sourcing Responsible use and management of water Other (provide details) Use renewable energy sources</p>
<p>Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?</p>	<p>Yes The facility had established related system.</p>
<p>Does the site have reduction targets in place to manage climate related risks?</p>	<p>None</p>
<p>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))?</p>	<p>No</p>
<p>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?</p>	<p>Not Applicable</p>

Usage/discharge analysis

[← Code area 10.B](#)

[Code area 10.C →](#)

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	983,481	1,107,750
Total electricity consumption from renewable sources (kWh)	301,832	114,297
Sources of renewable energy used	Onsite generated	Onsite generated
Types of renewable energy used	Solar	Solar
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	0	0
Has the site completed any carbon footprint analysis?	No	No
Water sources	Municipal water	Municipal water
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	6,289	6,280
Water discharged	City sewage pipe network	City sewage pipe network
Water volume discharged (m3)	4,402	4,080
Water volume recycled (m3)	0	0
Total waste produced (mt)	3	5.2

[← Code area 10.B](#)

[Code area 10.C →](#)

Total hazardous waste produced (mt)	0	0
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	3	5.2
Total product produced (mt)	962	1,089

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
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Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1. Policies and Procedures

Grade: Robust management systems

The position of the facility was clearly stated in the business ethics policy which met all Workplace Requirements in this code area. The policy outlined Business ethics would be under control and approved by Senior Managements. The facility appointed Office management team to collect local laws and regulations, customer requirement regularly, and integrate into the policies and procedures after applicability evaluation. The policy and procedure were reviewed annually.

2. Resources

Grade: Robust management systems

The facility formed Office management team including HR responsible person, EHS responsible person, etc to manage the social compliance performance of the facility. The Office Director was named within the business ethics policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office management team were allocated responsibility to implement business ethics procedure in named areas which included all areas of the business. Procedures were in place for interim responsibility in the case of position change or absence.

3. Communication and Training

Grade: Robust management systems

Training at site was governed by a training procedure which was the specific responsibility of the Office management team. The business ethics policy was available and communicated to all employees at high risk posts, management staffs, and there was a general awareness of it amongst employees interviewed. Training in the business ethics procedures was mandatory for all employees at high risk posts, management staffs processing applications or on boarding, the facility confirmed employees' knowledge during the training class through question. A training matrix utilized by managers ensured that there was a very low chance of gaps in regard to this training. If the policy and procedure were updated, training would be arranged for all employees and related management staff on the update policy and procedure.

4. Monitoring

Grade: Robust management systems

The facility established a management procedure to verify the implementation of its social compliance including the implementation of business ethics policy and procedure. The procedure required that the monitoring was conducted by the Office management team once per year. Records were kept for monitoring activities. The correction and prevention actions would be implemented if any noncompliance noted. The management review was conducted after internal audit to evaluate the effectiveness of social compliance management system, policy or procedure would be adjusted if necessary.

[← Code area 10.B](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. Mr. Yin / Admin Manager was responsible for implementing standards concerning Business Ethics. 2. The facility collected laws and regulations, customer requirement and established business ethics policy including anti-corruption, extortion or embezzlement, fair competition, information security, etc. 3. The facility conducted risk assessment in the area of business ethics, identified the situations and activities where acts of corruption, extortion or bribery, unethical business practices were most likely to occur in its context, and provided training to all employees. 4. The facility has established internal grievance processes for employees to report grievances or complaints on Business Ethics issues, such as suggestion box, employee representatives, hotline, etc. And anti-retaliation procedure was established for whistleblower protection. 5. Facility communicated their business ethics policy to business partners through business agreement. 6. Through management review and employee interview, the facility had not been subject to any fines/prosecutions for non-compliance to business ethics regulations. 7. The facility has established personal privacy information protection procedure. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. The business ethics policy including anti-corruption, extortion or embezzlement, fair competition, information security, etc. 2. Employee handbook 3. Training material and records on business ethics 4. Anti-retaliation procedure 5. Personal privacy information protection procedure 6. Management and employee interview. 		

[← Code area 10.B](#)

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

None

[← Code area 10.C](#)

Attachments



[Earplugs and masks.jpg](#)



[Drinking water.jpg](#)



[Attendance system.jpg](#)



[Electric box.jpg](#)



[Cutting process.jpg](#)



[Buttoning process.jpg](#)



[Evacuation map.jpg](#)



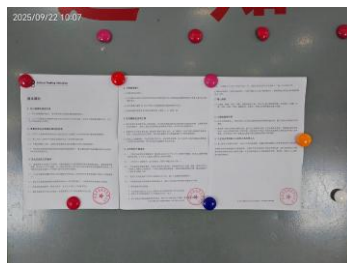
[Evacuation direction sign.jpg](#)



[Facility gate.jpg](#)



[Emergency light and exit sign.jpg](#)



[ETI posted.jpg](#)



[Emergency assembly point.jpg](#)



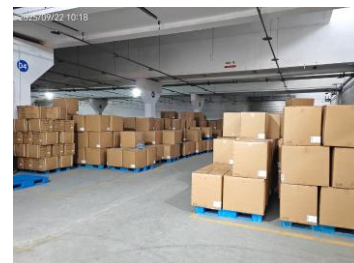
[Fire extinguishers.jpg](#)



[Fire hydrant.jpg](#)



[Fire alarm.jpg](#)



[Finished product warehouse.jpg](#)



[Filling process.jpg](#)



[Facility name.jpg](#)



[First aid kit.jpg](#)



[Heat seal process.jpg](#)



[Inspection process.jpg](#)



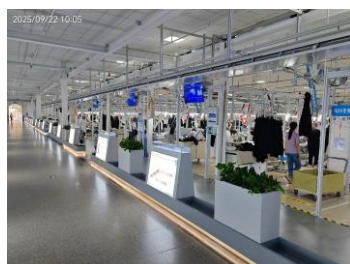
[Ironing process.jpg](#)



[Metal gloves.jpg](#)



[Risk informing.jpg](#)



[Raw material warehouse.jpg](#)



[Sewing process.jpg](#)



[Occupational hazard notification and warning sign.jpg](#)



[Packing process.jpg](#)



[Passage.jpg](#)



[Suggestion box.jpg](#)

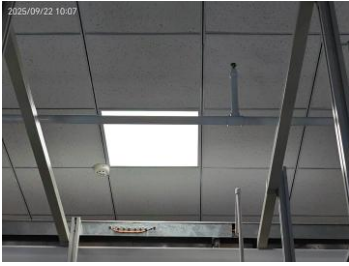


[Toilet.jpg](#)



[Smoking room.jpg](#)





[Smoking alarm and
sprinkler.jpg](#)



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