

# Sedex Members Ethical Trade Audit Report

Version 7



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# Audit content

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

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

## Included in a 2-Pillar audit:

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

## Included in a 4-Pillar audit:

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

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

# Audit and site details

## Audit details

Sedex company reference	ZC405677256	Auditor company name	Benchmarks Company Limited
Date of audit	2024-12-19	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety		

## Site details

Sedex site reference	ZS405735387	Site name	Feicheng Wonderful Apparel Co Ltd
Business name	Feicheng Wonderful Apparel Co Ltd	Site address	271600 Industrial Zone, Wangzhuang Town, Feicheng, Taian City, Shandong Province., Taian, CN
Site phone	13854823049	Site email	mikesun18660867669@163.com

# Audit parameters

Time in and out	Day 1	
	In	08:00
	Out	16:00
Audit type	Periodic	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Li Qinghua / 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	N/A. There was no union at this factory.		
Reason for absence during the audit	N/A. There was no union at this factory.		
Reason for absence at the closing meeting	N/A. There was no union at this factory.		



# 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)

Nil

Lead auditor

Michael Chang

APSCA Number

21702964

Additional auditor

Date of declaration

2024-12-19

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	Li Qinghua
Title	Manager
Date of declaration	2024-12-19





































# Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	§1	NC <a href="#">ZAF600745090</a>
	3.G Provide sufficient first-aid supplies ons...		NC <a href="#">ZAF600745091</a>

# Local law issues

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

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



Not addressed



Fundamental improvements required







Some improvements recommended



Robust management systems

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

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

# Site details

## Company and site details

Sedex company reference	ZC405677256	
Sedex site reference	ZS405735387	
Company name	Feicheng Wonderful Apparel Co Ltd	
Business ownership type	GOODS	
Site name	Feicheng Wonderful Apparel Co Ltd	
Site name in local language		
GPS location	GPS address	Industrial Zone, Wangzhuang Town, Feicheng, Taian City, Shandong Province.
	Coordinates	Latitude: 36°5'23"N, Longitude: 116°36'6"E
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Li Qinghua
	Job title	Manager
	Phone number	13854823049
	Email	mikesun18660867669@163.com
Applicable business and other legally required business license numbers and documents	Business license: 91370983676825539M, Valid date: from 24 June, 2008 to long term	

## Site activities

Site function	Finished Product Supplier Factory Processing/Manufacturer
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## Site activities

Site activities	Primary	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	Garment manufacture	
Process overview	The product manufactured on site was garment. Main processes consisted of cutting, sewing, inspection and packaging. The factory had 1 production line. Main equipment was sewing machine, cutting machine, etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

## Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	5841m <sup>2</sup>	
Building 1	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as office
Building 2	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as warehouse
Building 3	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as cutting, inspection and packaging workshop



## Site scope

Building 4	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as canteen
Building 5	Last construction works on site	2008
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as dormitory
Building 6	Last construction works on site	2023
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	one 1-storey building used as sewing workshop
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?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional

## Worker accommodation and transport

Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All All accommodation was included in this audit.
Do children also live in the accommodation?	No
Does the site organise worker transport to the worksite?	Not applicable N/A. No legal requirement for this. The factory did not provide transport to employees.

## Work patterns

Approximate workers on site per month (% of peak)	January	95-100%	February	95-100%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	95-100%	December	95-100%
Is there any night or back shift work at the site?	No			

## Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	Yes According to worker interviews, management interviews and the facility's regular assessment and measurement of its direct, indirect and potential human rights impacts on its stakeholders, the facility had no adverse impact of human rights on its stakeholders.

## Site assessments

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?

No

Not applicable. No legal requirement for this.

# Worker analysis

Gender disaggregated data available

Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	8 (9%)	81 (91%)	- -	89 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	8 (9%)	81 (91%)	- -	89 (100%)
Temporary or fixed term employees	- -	- -	- -	0 (0%)
Agency or subcontracted workers	- -	- -	- -	0 (0%)
Seasonal workers	- -	- -	- -	0 (0%)
Self-employed workers	- -	- -	- -	0 (0%)
Informal workers including home workers	- -	- -	- -	0 (0%)
Apprentices, trainees or interns	- -	- -	- -	0 (0%)

\* % of total workforce

Migrant workers

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

\* % of total workforce

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

N/A. No migrant worker was used.

Workers by age

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

\* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit?	No
Describe how this may vary during peak periods	N/A. No obvious peak/non-peak season.
Please list the nationalities of all workers, with the three most common nationalities listed first	Chinese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	9%	91%	-	100%

## Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	- -	- -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	- -	- -	- -	0 (0%)
Workers paid hourly / daily rate	8 (9%)	81 (91%)	- -	89 (100%)
Salaried workers	- -	- -	- -	0 (0%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	- -	- -	- -	0 (0%)
Paid weekly	- -	- -	- -	0 (0%)
Paid monthly	8 (9%)	81 (91%)	- -	89 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details N/A

### People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	2 (2.2%)	2 (2.2%)	- -	4
Supervisors or team leaders	1 (1.1%)	1 (1.1%)	- -	2
Administrative staff	1 (1.1%)	1 (1.1%)	- -	2



# Worker interview summary

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

## Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-
Were any of the audit findings attributable to the survey?				
Was the interview sample representative of all types of nationality and employment types of workers?	Yes			
Was the interview sample representative of the gender composition of the workforce?	Yes			
Number and size of group interviews	1 group of 5 workers			
Did workers understand the purpose of the audit?	Yes			
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes			
Was there any indication that workers had been 'coached' in how they should respond to questions?	No			
What was the general attitude of the workers towards their workplace?	Favorable			

## Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details)  Nil
What did the workers like the most about working at this site?	Overtime Pay
Additional comments	During the interview process, the interviewed workers were positive toward the management and the factory. No hint of coaching was noted. Fire drills were conducted in the factory. They had drinking water and first aid kits in workshops. They were satisfied with the good working condition, timely payment provided by the factory, and factory treated them with respect. According to the workers' interview, no exceptions were found. No harsh or inhumane implementation and discrimination was reported during this audit.
Attitude of workers' committee/union representatives	The worker representative was interviewed during the audit. She stated that she was elected by employees. And the factory management held the meeting with them every 3 months. During daily work, she collected the comments on the factory from employees. She provided the positive information on the factory to auditor during audit.
Attitude of managers	The factory management was positive towards auditor. They provided relevant documents for review, showed auditor the production process during factory tour, and provided auditor an independent room for workers' interview. At the closing meeting, auditor provided the factory representative a general overview, and explained all findings to them. Meantime, auditor made the corrective suggestions corresponding to findings to the factory representatives and Ms. Li / Manager signed the CAPR.

## Workers interviewed by type

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

## Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	0	5	-	5
Workers interviewed individually	1	4	-	5

## Migrant workers interviewed

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

# Measuring workplace impact

Gender disaggregated data available

Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	1.0%	1.0%	-	2.0%
Previous full calendar year (2022)	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)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	1.0%	1.0%	-	2.0%
Previous full calendar year (2022)	1.0%	1.0%	-	2.0%

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

Are accidents recorded?

Yes

The record sheet and management rules were available. However, no accident has occurred according to interviews with workers and the review of accident records.

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

	Men	Women	Other	Total

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

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	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 (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	0.0%	0.0%	-	0.0%

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	0.0%	0.0%	-	0.0%

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

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

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

Last full calendar year (2023)	0.0%	0.0%	-	0.0%
Previous full calendar year (2022)	0.0%	0.0%	-	0.0%

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"> <li>•The facility implemented and maintained systems for delivering compliance to this Code. A CSR manual was created by the facility which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.</li> <li>•The facility was operating legally.</li> <li>•The appointed senior management responsible for compliance with the Code was Ms. Li / Manager.</li> <li>•The facility communicated the code to all workers by poster and regular trainings.</li> <li>•The facility established Supplier Management Procedure and conducted social assessment on suppliers annually.</li> <li>•The facility conducted Internal Social Compliance Assessment and Management Review annually. Corrective action plan was implemented when non-compliance issue was observed in Internal Social Compliance Assessment.</li> </ul> <p>Details:</p> <ul style="list-style-type: none"> <li>•Internal audit documents.</li> <li>•A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements, and all of these were implemented.</li> <li>•Training records.</li> </ul>		

0. Enabling accurate assessment

Data points

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



# 1. Employment is freely chosen

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>The factory has established the procedure of forbidding forced labour. Recruitment and resign management procedure. The recruitment procedure stated that workers must present their IDs for proof of age but that only copies must be kept in the personnel files and the original given back to the workers. These procedures outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigns all necessary responsibilities to Admin. manager for ensuring the workplace requirements are met, by management interview, Admin. manager has sufficient seniority, adequate ability, authority and resources.</p> <p>The training related social management procedures covering forced labor, child labour, discrimination, harassment &amp; abuse, etc. was performed on 12 March 2024 for all management and workers. The training records were kept well, by management and worker interview, the training was effective to achieve sustainable compliance with workplace requirements.</p> <p>The procedures would be reviewed annually and updated if necessary. The regular monitoring was performed, internal audit record (Dated: 09 July 2024) and management review record (Dated: 10 July 2024) including this base code area. The monitoring ensured management of the Workplace Requirements in this Base Code Area on an ongoing basis. However, gaps in the training content updated have been observed.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

**Current systems:**

- According to the document review and interviews, there was no forced or bonded labour in the facility, and no prison labour was used.
- The factory had a policy which prohibits forced labour and workers could be freely resignation after communication with management in advance 30 days notification.
- There was an application procedure which stated that workers present their ID's for proof of age but only copies should be kept in the personnel files and the original given back to the workers.

**Details:**

- Personnel files.
- Resignation records.
- Factory rules.
- Employee handbook.
- Management and worker 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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory has established recruitment and resign management procedure. As all workers were directly recruited by the factory. The recruitment and resign procedure outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigns all necessary responsibilities to Admin. manager for ensuring the workplace requirements were met. However, the responsible employee required more necessary skills to implement them.</p> <p>Training was conducted according to the documented procedure, which included assessment and refresher training. All training records were kept for at least 12 months. There was formal communication or training on this topic. All employees, including production workers, managers, and supervisors had been formally trained on this topic. However, according to employee interviews and document review, there was no assessment of effectiveness for the training.</p> <p>The procedures would be reviewed annually and updated it if necessary, regular monitoring was performed well and enough, internal audit record (Dated: 09 July 2024) and management review record (Dated: 10 July 2024) including this base code area well and the monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

- Workers were not required to lodge deposit or identify papers with their employer and were free to leave their employer.
- The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours.
- Workers did not pay any recruitment fees and related costs at any stage during recruitment and employment.
- Workers were recruited, selected and hired directly by the factory. No recruitment provider was used.

Details:

- Personnel files.
- Resignation records.
- Factory rules.
- Employee handbook.
- Management and worker interview.

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

### Data points

#### Labour hire

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

#### Migrant workers

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

#### Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

N/A. No recruitment fees or costs were identified during worker interviews.

## 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	Some Improvements Recommended
Explanation for management systems grades	<p>The policy and procedure concerning Freedom of Association and Right to Collective Bargaining was in place. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The procedures stipulated that employee had the right to freely elect worker representatives.</p> <p>Documentation assigned responsibilities, and processes, and addressed all code areas- they could be considered sound. The factory appointed one Manager to assist workers in electing worker representatives, regularly communicated with worker representatives, followed up on worker representative meetings, and reported to the factory management. Workers received relevant training and used what they learned to develop effective procedures. New employees were required to attend on-board training from the administrative department which included worker representative election procedure and worker freedom of association procedure.</p> <p>The training was conducted once a year. All training records were kept for at least 12 months. Adherence to the processes was monitored via departmental reporting to the Manager, and there was a mechanism to monitor whether procedures had been implemented by operational personnel. According to factory management interviews, worker representative meetings were held quarterly. The system established an effective communication channel between factory management and workers, resulting in increased worker satisfaction with the factory.</p> <p>According to worker interviews, workers were free to elect their approved worker representatives and conveyed their opinions and demands to the factory management through the worker representatives. Upon discussion with the manager, it was confirmed that there was a monitoring system in place to gauge the effectiveness of the current communication system in ensuring employees were aware of their rights and reflected their concerns. However, according to employee interviews and document review, there was no assessment of effectiveness for the monitoring system.</p>

### Summary of findings



Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"><li>•Workers had the right to join or form trade union of their own choosing and to bargain collectively.</li><li>•There was no union on site.</li><li>•The committee members were chosen by fellow workers.</li><li>•The employer adopted an open attitude towards the activities of worker committee and their organizational activities.</li></ul> <p>Details:</p> <ul style="list-style-type: none"><li>•Written policies and procedures referencing freedom of association and collective bargaining.</li><li>•Interview with workers.</li><li>•Interview with worker committee member.</li><li>•Interview with management.</li><li>•Meeting records.</li></ul>		

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?	Not Applicable
Does the membership reflect the nationality composition of the workforce?	Not Applicable
Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years?	No

## 3. Working conditions are safe and hygienic

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>EHS policy and EHS management procedure were established and updated well, including: Emergency preparedness procedure, Fire safety management procedure, Machine safety management procedure, etc. These procedures outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>Mr. Wan/ EHS supervisor was appointed to be responsible for the process, and report directly to GM, GM has legally mandatory required safety director certificate. The EHS management structure clearly assigned all necessary responsibilities to factory manager for ensuring the workplace requirements are met, by management interview, Mr. Wan / EHS supervisor has sufficient seniority, adequate ability, authority and resources.</p> <p>The training related all kinds of health and safety were conducted every year according to training plan, including fire drills, machinery safety training, first aid training, PPE using training, etc, the latest date 09 July 2024. The training records were kept well. However, according to employee interviews and document review, there was no assessment of effectiveness for the training.</p> <p>All the monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. There was annual review of the Emergency Response Plan conducted to ensure accurate capture and handling of all possible emergency situations. However, the NCs were noted due to lack of awareness.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	§1	NC <a href="#">ZAF600745090</a>
	3.G Provide sufficient first-aid supplies ons...		NC <a href="#">ZAF600745091</a>

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

**Current systems:**

1. General Health and Safety management
  - Ms. Li / Manager was appointed as Health & Safety Manager Leader.
  - Potable water was freely available in all areas and test certificate was up-to-date.
  - Sufficient clean toilets segregated by gender were available at all times to workers.
  - Ventilation, temperature and lighting were adequate for the production processes.
  - Minutes of meetings showed that there were meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
  - Workers received regular Health & Safety training.
2. Fire Safety
  - Safety exits in all areas were clearly marked.
  - Fire-fighting equipment was adequate and checks were up-to-date.
  - Evacuation plans were posted in all areas and understood by all workers interviewed.
  - Fire drills were organised and recorded twice a year in the factory.
  - Trainings had been given by the local fire department and fire marshals had been specially selected for extra training.
3. Electrical safety
  - Checking records for electrical equipment was maintained and provided for review.
  - Factory provided the special operator certificate for the electrician in the factory for review.
4. Medical services
  - There were adequate first aid kits in each production area.
  - There were 2 first aiders, and the first aiders had been trained at the local Red Cross Committee.

**Details:**

- The Health and safety policy.
- Health and safety manual.
- Health and safety committee minutes.
- Training records and certificates.
- Government licenses.
- Fire equipment maintenance records.
- Fire drill and evacuation records.
- Building structure safety certificate.
- Fire safety certificate.
- Checks on fire equipment.
- Accident records.
- Electrician certificate.
- Interview with H&S manager and committee member.
- Interview with workers.
- Site tour.
- Etc.

# Findings: non-compliances

ZAF600745090

Non-compliance

Due 2025-01-21

## 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

Sewing machine was not equipped with needle guard.  
It was noted that 3 out of 50 sewing machines in the sewing workshop were not equipped with needle guards.  
缝纫机没有安装针挡。  
审核员发现缝制车间3/50台缝纫机没有安装针挡。

## Area of non-compliance/non-conformance

Local law

Base code

## Corrective and preventative actions

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

## Local law reference

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

## Evidence



[Sewing machine was not equipped with needle guard.JPG](#)



\* PDF generated at 13:30 (UTC) on 22 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600745091

Non-compliance

Due 2025-02-20

Code area

3 Working conditions are safe and hygienic

Status

Open\*

Workplace requirement

3.G Provide sufficient first-aid supplies onsite, and ensure that adequately trained personnel are available during all shifts.

Time given to resolve

60 days

Issue title

289 - First aid box available but contents are missing, out of date or otherwise inadequate

Verification method

Desktop audit

Description

Insufficient supply in first aid kit.  
It was noted that although first aid kit was available in the packaging workshop, the supplies in the first aid kit were insufficient. The scissors and disposable gloves were not provided.  
急救药箱药品不足。  
审核员发现包装车间的急救药箱药物不足，没有提供医用剪刀和医用手套。

Area of non-compliance/non-conformance

Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that first aid kits with sufficient supplies are available in the packaging workshop.  
建议工厂在包装车间配置有足够的药物的急救药箱。

Evidence



Insufficient supply in first aid kit.JPG

\* PDF generated at 13:30 (UTC) on 22 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

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

## 4. Child labour shall not be used

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the company was clearly stated in the Child Labour Prevention and Remediation 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 for preventing underage work and the placement of young workers in unsuitable positions. This procedure included provision for non-employee (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation.</p> <p>Admin. supervisor was named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Specific departmental HR leads were allocated responsibility to implement the 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. Training at site was governed by a training procedure which was the specific responsibility of the Admin. supervisor. The Child labour Prevention and Remediation Policy was available and communicated to all employees. Training on the Hiring Procedures was mandatory for all HR staff processing applications or onboarding. However, according to employee interviews and document review, there was no assessment of effectiveness for the training.</p> <p>Responsibilities for monitoring implementation of age-verification were defined by the Hiring Procedure. The procedure required that audit of the records kept of this verification was conducted by the HR leads, increasing to weekly at times of peak hiring. Records are kept of monitoring activities. Any identification of mis-application of procedures, or concerns about application were escalated for action in the weekly HR team calls. For example, some falsified documents were not identified due to the issue of new national ID cards-this was highlighted by internal monitoring and re-training rolled out for key staff.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

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

**Current systems:**

- The factory set up a recruitment procedure for prohibiting hiring child labour aged less than 16 years.
- Through document review and interview, the facility reviewed the ID cards for all employees and maintained the copies of ID cards on file for all employees.
- During the personnel files of employees' review and employees' interview, the youngest employee was 27 years old.

**Details:**

- Recruitment procedure.
- Latest employee list.
- Personnel files of all workers.
- Interview with management and workers.
- Site tour.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	27
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%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory had established wages and welfare management procedure and policy. The policy stipulated that the factory should pay employees' wages (including overtime) correctly according to local requirements and the wages should meet the local minimum wage standard and living wage standard. This procedure outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigned all necessary responsibilities to Admin. manager for ensuring the workplace requirements were met. However, the appointed employee required more necessary skills to implement them.</p> <p>The training related wage payment and wage management procedure were provided to every employee at the time of employment and training records were kept well. According to management and worker interview, training on the wage payment procedures was mandatory for all HR staff processing applications or onboarding, and the training was effective to achieve sustainable compliance with workplace requirements.</p> <p>Responsibilities for monitoring implementation of wage payment were defined by the wages and welfare management procedure. The procedure required that crosscheck of the wage payment records was conducted by the HR leads, wage increased should be appropriate when local minimum wage standards or living wage were adjusted. The procedures would be reviewed annually and updated it if necessary, regular monitoring was performed well and enough, all wage and social insurance were monitoring by GM and admin. manager timely, the monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

- Current systems:
- The local legal minimum wage was RMB2010 per month or RMB11.55 per hour since 01 October, 2023.
  - All employees’ wages were calculated by hourly rate in the factory. The minimum wage RMB12.94 per hour was paid to employees.
  - All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment. And the particulars of their wages were provided to employees every month by payment slip.
  - The factory management compensated all employees at a legal mandated rate for their overtime hours, 200% of regular wages for overtime works on rest days. No overtime work was noted on weekdays or statutory holidays..
  - All employees were paid on 25th of each month by cash and each employee was given a payment slip. When employee got the payment slip, they signed on the records.
  - The maternity leave, paternity leave and annual leave were appropriately provided as normal working wage to employees.
  - According to the social insurance payment receipt provided by factory management, all eligible employees were provided with [pension, accident, unemployment, medical, maternity] insurance in November 2024.
- Details:
- Wages and benefits policy and procedure.
  - Local and national laws.
  - Local legal min wage documents.
  - Payroll records and corresponding attendance records.
  - Overtime premiums records.
  - Labour contracts for all workers.
  - Resignation records.
  - Production records.
  - Social insurance payment receipts.
  - Worker interview and management interview.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	Other (provide details)  •The local legal minimum wage was RMB2010 per month or RMB11.55 per hour since 01 October, 2023. •All employees' wages were calculated by hourly rate in the factory. The minimum wage RMB12.94 per hour was paid to employees.
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)  All employees were paid on 25th of each month 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
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### Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Not available	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	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	0.0
	Max hours per week	8.0
	Max hours per month	32.0
Minimum legal wage	Min per hour	11.55
	Min per day	92.41
	Min per week	462.07
	Min per month	2010.0
Actual minimum wage	Actual per hour	12.94
	Actual per day	103.52
	Actual per week	517.6
	Actual per month	2250.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	0.0
	Actual per day	0.0
	Actual per week	207.04
	Actual per month	621.12

## Wage analysis

Number of workers' records checked	10
Provide the date and details of the records	10 samples from December 2023 (at random) 10 samples from June 2024 (at random) 10 samples from October 2024 (the most recent month)

Are there different legal minimum/ legally recognised CBAs wage grades?

No

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

Above legal minimum

Indicate the breakdown of workforce per earnings

100% of workforce earning above minimum wage.

Are there any bonus schemes used?

No

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

## 5.A. Living wages are paid

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"> <li>•Factory had established policy and procedure, make sure the payment was higher than the living wage. All employees said the payment was reasonable.</li> <li>•The auditee calculated local decent living wage by Anker methodology based on a family's general living expense (including food, education, transportation, garment, energy, etc.). The estimated decent living wage was RMB2113/month. Workers' minimum income was RMB2566 /month which was higher than the estimated decent living wage.</li> </ul> <p>Details:</p> <ul style="list-style-type: none"> <li>•Wages and benefits policy and procedure.</li> <li>•Local and national laws.</li> <li>•Local legal min wage documents.</li> <li>•Payroll records and corresponding attendance records.</li> <li>•Overtime premiums records.</li> <li>•Labour contracts for all workers.</li> <li>•Resignation records.</li> <li>•Production records.</li> <li>•Social insurance payment receipts.</li> <li>•Worker interview and management interview.</li> </ul>		



## 6. Working hours are not excessive

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The overtime hours did not exceed the statutory limits were clearly stated in the established procedure and policy. The Policy made reference to the working time procedure, which outlines the key mechanisms in place for preventing overtime hours exceed the legal requirement. The procedure outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigned all necessary responsibilities to Admin. manager for ensuring the workplace requirements were met. However, the appointed employee required more necessary skills to implement them.</p> <p>The training related working time management procedure were provided to every employee at the time of employment and training records were kept well. According to management and worker interview, training on the working hour procedures was mandatory for all HR staff processing applications or onboarding, the training was effective to achieve sustainable compliance with workplace requirements.</p> <p>The procedures would be reviewed annually and updated it if necessary. The procedure required that crosscheck of the time records per month was conducted by the HR leads, overtime hours would be adjusted when local laws on working hours have been updated. All working hours were monitoring by GM and admin. manager timely, the monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current systems:**

- Through employees' interview, overtime was voluntary.
- Factory established the policy and procedures regarding working hours. The normal working hours were 8 hours per day and 40 hours per week.
- Working hours were recorded by facial recognition system. The factory provided all employees' payroll records and attendance records for review.
- The sampled workers had at least one day off in every 7 days.
- The maximum working hours per week of sampled workers were 48 hours.
- The maximum overtime hour was 0 hour per weekday.
- The maximum overtime hours were 32 hours per month.

**Details:**

- Factory policy and procedures on working hours.
- Time records provided by the factory.
- Sampled workers' wage records and payment records.
- Employee interview.
- Quality and other records for crosschecking.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A
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?	48.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	48.0
Maximum number of days worked without a day off in sample	6

## 7. No discrimination is practiced

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>The established procedure and policy included anti-discrimination, Recruitment management, grievance, confidential report, whistle-blowers protection, etc. The Policy made reference to the no discrimination Procedure, which outlines the key mechanisms in place for race, ethnic group, skin color, sex (gender), religion, etc. had not been a factor in decisions regarding conditions of work. These procedures outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigned all necessary responsibilities to Admin. manager for ensuring the workplace requirements are met, by management interview, Admin. manager had sufficient seniority, adequate ability, authority and resources.</p> <p>The training related social management procedures covering forced labor, child labour, discrimination, harassment &amp; abuse, et. was performed on 12 March 2024 for all management and workers. The training records were kept well, by management and worker interview, the training was effective to achieve sustainable compliance with workplace requirements.</p> <p>The procedures would be reviewed annually and updated if necessary. The regular monitoring was performed, internal audit record (Dated: 09 July 2024) and management review record (Dated: 10 July 2024) including this base code area. The monitoring ensured management of the Workplace Requirements in this Base Code Area on an ongoing basis. However, gaps in the training content updated have been observed.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

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

**Current systems:**

- The factory established the policy and procedures on anti-discrimination.
- The factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.
- Female and male employees had the same payment and working conditions.
- No discrimination issue was noted during the audit.
- On-going training was available to enable workers for professional development. And an equal and fair selection criterion in in place for all promotions and benefits.

**Details:**

- Anti-discrimination policy and social accountability manual.
- Hiring and termination procedure, leave application records and employee handbook.
- Attendance records.
- Payrolls.
- Training records.
- Termination records.
- Interview with management and workers.

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)?	10%
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)	1%
Three most common nationalities in managerial and supervisory roles	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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory recruitment policy and procedure outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The procedures stipulated that all employees should be recruited by the factory directly and receive training. No labor agency was used to hire workers. No temporary workers, apprenticeship schemes, or home workers according to the policy.</p> <p>Documentation assigned responsibilities, and processes, and addressed all code areas- they could be considered sound. One Manager was responsible for implementation and aware of their responsibilities. The manager said that she understood the contents of this topic and the employee handbook. The manager was familiar with applying it to the actual recruitment.</p> <p>Training was conducted according to the documented procedure, which included assessment and refresher training. All training records were kept for at least 12 months. New employees were required to attend on-board training from the management. According to factory management interviews and workers' interview, the factory also held an annual training on factory procedure documents for all employees. However, according to employee interviews and document review, there was no assessment of effectiveness for the training.</p> <p>The procedures would be reviewed annually and updated it if necessary, regular monitoring was performed well and enough, internal audit record (Dated: 09 July 2024) and management review record (Dated: 10 July 2024) including this base code area well and the monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

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

- Current systems:
- All employees were recruited by the factory directly. No labour agency was used to hire worker. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
  - All workers had received a signed labour contract.
- Details:
- The hiring and termination practises.
  - Personal files.
  - Payroll records were provided for review.
-



8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
Percentage of workers employed as apprentices, trainees or interns	0.0%

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

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory has established the policy and procedure of no Sub-Contracting or homeworking. The policy stated that all production processes should be finished on site, and they were monitored by the manager effective. These procedures outlined the systems in place with details of responsibility structures, and systems to measure outcomes, monitor effectiveness, and update systems on a regular basis, to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Documentation assigned responsibilities, and processes, and addressed all code areas- they could be considered sound. One Manager was responsible for implementation and aware of their responsibilities. According to interview, the Manager had sufficient seniority, adequate ability, authority and resources. No Sub-Contracting or homeworking was used by the factory.</p> <p>Training was conducted according to the documented procedure, which included assessment and refresher training. All training records were kept for at least 12 months. The training records were kept well, by management and worker interview, the training was effective to achieve sustainable compliance with workplace requirements. The manager received relevant social responsibility training, including subcontractor requirements and homeworkers.</p> <p>Adherence to the processes was monitored via departmental reporting to the Manager. The manager strictly followed and monitored the execution of the procedure if subcontractors and homeworkers were used. But the factory did not use them. The procedures would be reviewed annually and updated it if necessary, regular monitoring was performed well and enough.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

- No Sub-Contracting or homeworking was used by the factory.

Details:

- Factory tour.
  - Management interview and employee interview.
  - Payroll records, production records, published program files, etc.
-

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

Data points

Are homeworkers employed directly or engaged through an agent?	Not applicable			
Gender disaggregated data available				
Number of homeworkers used				
	Men	Women	Other	Total
Number of workers	-	-	-	-
What processes are carried out by homeworker?				
Are full records of homeworkers available at the site?				
Does the supplier buy products or services from suppliers that use homeworkers?	No  The supplier did not buy products or services from suppliers that use homeworkers. The auditee performed regular reviews on social and labor practices within their supply chain.			

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No  N/A. There was no unrecorded work or undeclared sub-contracting on site.
Are any sub-contractors used?	No

## 9. No harsh or inhumane treatment is allowed

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>The factory prevention of harassment and abuse policy and procedure outlined the systems in place to manage this issue at the site. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The procedures stipulated that there was no harsh or inhumane treatment in the factory. If similar incidents occurred, workers reported to the management immediately. Documentation assigned responsibilities, and processes, and addressed all code areas- they could be considered sound. HR team was responsible for implementation and aware of their responsibilities. The team members understood that any harsh or inhumane treatment was not allowed and strictly enforced this policy at work. Training was conducted according to the documented procedure, which included assessment and refresher training. All training records were kept for at least 12 months. All employees, including workers, managers, and supervisors, received training on this topic. The training was conducted once a year. There was detailed staff handbook available concerning personnel policies grievance, equal opportunities, etc. The procedures would be reviewed annually and updated if necessary. Sampled employees stated that they were comfortable to express their viewpoints and most of their concerns were solved. However, there was no awareness of evaluation effectiveness.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

**Current systems:**

- According to the factory's regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory.
- According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

**Details:**

- The relevant policy on prevention of harassment and abuse.
- Internal grievance procedure documentation.
- Disciplinary action records.
- Grievance records.
- Training records.
- Interview with management and workers.

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
	The grievance process is available to all workers
	The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Worker Committee and suggestion box.
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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>The factory environmental documents outlining the systems in place to manage this issue at the site included all relevant requirements of the code area. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. Admin. manager was appointed responsible for the process, and report to GM, the factory management structure clearly assigned all necessary responsibilities to Admin. manager for ensuring the workplace requirements were met. However, the appointed employee required more necessary skills to implement them.</p> <p>The training related environment were conducted every year according to training plan, including environment protection, environment risk assessment, waste disposal, etc. The training records were kept well, by management and worker interview, the training was effective to achieve sustainable compliance with workplace requirements. The factory reviewed its performance on social compliance including Environment regularly. Responsibilities for monitoring and targets or key performance indicators were defined and utilized. Oversights in the monitoring systems have not led to NCs. However, gaps in the training content updated have been observed.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings



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

Current systems:

- Site was aware of the significant environmental impact of their site and its processes and assigned environment personnel responsible for it.
- Legal required environmental documents and certificates were checked.
- The factory obtained the EIA report from local government.
- The solid waste was disposed appropriately.

Details:

- Interview with management and workers.
  - Document review (EIA report, environmental certificates, etc.).
  - Factory tour.
-

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	N/A
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

# Attachments



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