Sedex Members Ethical Trade Audit Report

Version 7

Sedex, 5 Old Bailey, London, EC4M 7BA, United Kingdom

Contents

Audit content

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

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

2-pillar audits include:

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

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

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

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

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

← Contents   Findings →

Audit details

Site details

Sedex site reference	ZS1000043131	**Site name**	Wuxi Kingda Microfiber Fabric Co Ltd
Business name	Wuxi Kingda Microfiber Fabric Co Ltd	**Site address**	214000 No. 288 Hubin North Road, Zhoutie Town, Yixing City，Jiangsu Province 江苏省宜兴市周铁镇湖滨北路288号, Yixing, CN

Audit details

Sedex company reference	ZC5000036905	**Auditor company name**	ALGI China
Audit company address	Suite 4 , No.1701, West road , Jingan District, Shanghai City, Shanghai, CN, 200000		
Date of audit	2025-08-07	**Audit conducted by**	Abel Zhou
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out	Day 1		Day 2	
	In	07:30	In	07:30
	Out	17:00	Out	11:30
Audit type	Periodic			
Was the audit announced?	Announced			

← Contents   Findings →

Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Lu Xifan / 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	There was no trade union at this factory.		
Reason for absence during the audit	There was no trade union at this factory.		
Reason for absence at the closing meeting	There was no trade 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)	This is announced audit (4-pillar) and ALGI auditor/Alison Gao(CSCA 21700816) as Promotion Evaluator participated in this audit.

Lead auditor	Abel Zhou	**APSCA Number**	21701779
Additional auditor			
Date of declaration	2025-08-08		

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	Lu Xifan
Title	Manager
Date of declaration	2025-08-08

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601058577
	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601058575
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601058576
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601036262

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

← Summary of findings

Site details →

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

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

← Summary of findings

Site details →

Site details

Company and site details

Sedex company reference	ZC5000036905	
Sedex site reference	ZS1000043131	
Company name	Wuxi Kingda Microfiber Fabric Co Ltd	
Business ownership type	GOODS	
Site name	Wuxi Kingda Microfiber Fabric Co Ltd	
Site name in local language	无锡市金达超细织物有限公司	
GPS location	**GPS address**	Registered Address on Business license: No. 288 Hubin North Road, Zhoutie Town, Yixing City, Jiangsu Province. The production address is the same as above.
	Coordinates	Latitude: N 31.451653, Longitude: E 120.005455
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Lu Xifan
	Job title	Manager
	Phone number	13862585190
	Email	alex@wxkingda.com
Applicable business and other legally required business license numbers and documents	Business license: 9132020575898244X6. Validity of Operation: From March 15, 2004 to Long Term.	

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of made-up textile articles, except apparel
	Secondary	
	Other	
Product type	Main product were microfiber cleaning cloth and microfiber pouch, and the manufacturing processes were Raw material, Rolling and sueding; Color printing; Heat transfer printing, Cutting; Sewing; Inspection and Packing, Finished goods.	
Process overview	Main product were microfiber cleaning cloth and microfiber pouch, and the manufacturing processes were Raw material, Rolling and sueding; Color printing; Heat transfer printing, Cutting; Sewing; Inspection and Packing, Finished goods. Main machines: 1 rolling machine, 1 sueding machine, 4 cutting machines, 14 printing machines, 3 sewing machines, and etc. Number of production line: 2 lines.	
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?	$3360m^2$

← Management systems

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2021
	If building is shared, provide details	No, this was not the shared building
	Number of floors	3
	Description of floor activities	1/F: Raw material, Rolling and sueding, cutting workshop 2/F: Color printing; Heat transfer printing; Inspection and Packing workshop, warehouse. 3/F: Office, warehouse and 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?	No
Does the site organise worker transport to the worksite?	Not applicable No transport was provided by the facility. And provide transport is not required by local law.

← Site details

Worker analysis →

Work patterns

Approximate workers on site per month (% of peak)	**January**	95-100%	**February**	90-95%
	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?	Yes Based on documents review and management interview, the factory performed the assessments for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community, management staff had enough risk awareness.
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	Yes The factory yearly conducted the Human Rights Impact Assessment at this site and kept the relevant records for review. The latest assessment was arranged in January 2025.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men		Women		Other		Total	
Number of workers	8	*(19%)*	34	*(81%)*	-	-	42	*(100%)*

Workers by type

	Men		Women		Other		Total	
Permanent workers (employees)	8	*(19%)*	34	*(81%)*	-	-	42	*(100%)*
Temporary or fixed term employees	0	-	0	-	-	-	0	*(0%)*
Agency or subcontracted workers	0	-	0	-	-	-	0	*(0%)*
Seasonal workers	0	-	0	-	-	-	0	*(0%)*
Self-employed workers	0	-	0	-	-	-	0	*(0%)*
Informal workers including home workers	0	-	0	-	-	-	0	*(0%)*
Apprentices, trainees or interns	0	-	0	-	-	-	0	*(0%)*

* % of total workforce

← Site details

Worker interviews →

Migrant workers

	Men		Women		Other		Total	
Domestic migrant workers	2	(20%)	8	(80%)	-	-	10	(23.8%)
International migrant workers	0	-	0	-	-	-	0	(0%)
Total migrant workers	2	(20%)	8	(80%)	-	-	10	(23.8%)

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	Most of them were from other provinces, such as Anhui, Henan, Shandong, Guizhou, Sichuan.

Workers by age

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

* % of total workforce

← Worker analysis

Worker interviews →

Is the worker analysis data relevant for peak season and current to the audit?	Yes
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	19%	81%	-	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	8 (19%)	34 (81%)	- -	42 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men		Women		Other		Total	
Paid daily	0	-	0	-	-	-	0	*(0%)*
Paid weekly	0	-	0	-	-	-	0	*(0%)*
Paid monthly	8	*(19%)*	34	*(81%)*	-	-	42	*(100%)*
Other	0	-	0	-	-	-	0	*(0%)*

* % of total workforce

If other payment cycle entered, please provide details	There was no other payment cycle used at the facility and all (100%) payment cycle was monthly.

People in managerial, supervisorial and administrative roles

	Men		Women		Other		Total
Employees in management positions	2	*(66.7%)*	1	*(33.3%)*	-	-	3
Supervisors or team leaders	0	*(0%)*	3	*(100%)*	-	-	3
Administrative staff	0	*(0%)*	5	*(100%)*	-	-	5

← Worker analysis

Worker interviews →

Worker interview summary

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?	
Was the interview sample representative of all types of nationality and employment types of workers?	Yes
Was the interview sample representative of the gender composition of the workforce?	Yes
Number and size of group interviews	1 group with 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

← Worker analysis
Measuring workplace impact →

Was there any indication that workers had been 'coached' in how they should respond to questions?	No
What was the general attitude of the workers towards their workplace?	Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) No complaint case was reported so far during interviewing, the interviewed workers were pleased with the management of factory, water, sanitary condition and working environment.
What did the workers like the most about working at this site?	Communication (e.g. from management) Contracts Grievance mechanisms Overtime Pay Social dialogue (e.g. freedom to associate) Training and development Work atmosphere (e.g. treatment by supervisors) Work environment – comfort (e.g. temperature, noise or dust levels)

Attitude of workers

Additional comments	There were 53 employees with 11 non-production staffs (including management, admin) and 42 workers in total at the factory. 11 workers including 2 male workers and 9 female workers were used for individual or group interviews. The workers' interviews were conducted at an independent room that located at the workshops or a quiet condition. The workers showed a cooperative attitude during the interview process. As per workers interviews, the workers showed their positive attitude to management and workplaces, they reported that all the overtime works were voluntary, they were satisfied about very easygoing teammates, felt happy of reasonable working overtime to earn higher wages. Management staffs treated them friendly and equally, water, sanitary condition, working environment, working time, overtime hours, overtime wages, basic wages and other benefits or bonus were well pleasing. The workers were assured of confidentiality and they spoke freely of their views of the factory. They felt free to leave this employer and understood the notice period required. They had good relationships with management staffs who treated them with respect. They made the suggestions to worker representatives, management staffs and sometimes they had seen the suggestions used.
Attitude of workers' committee/union representatives	Interview was conducted with one worker representative. He was very cooperative and quite open talking with the auditor. He said factory management cared about workers and paid attention to deal with workers' suggestion or complain. He stated that the factory raised employee meeting every 3 months and helped to deal with workers' health, safety and environment issues. The worker representative showed that the management was kind, and the workplace was comfortable. No negative information was identified.
Attitude of managers	This Announced Periodic Audit (4 pillar) was conducted on 7-8 August 2025 by ALGI auditor/Abel Zhou (Lead auditor) - APSCA registration No. CSCA21701779. The total onsite MD was 1.5 MD. ALGI auditor/Alison Gao as Promotion Evaluator participated in this audit. The factory agreed that ALGI auditors conducted the confidential interviews with employees who were chosen freely without any influence, the required documents were provided in a timely manner, the whole factory area was allowed access for tour, and a private meeting room was arranged for employee interviews. At the same time, management staffs showed a willingness to improve all issues found in the audit, they would carry out corrective actions against the findings to meet the requirements of ETI and laws.

← Worker analysis   Measuring workplace impact →

Workers interviewed by type

	Total
Permanent workers	11
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	11

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	1	4	-	5
Workers interviewed individually	1	5	-	6

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	2	-	4
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	2	2	-	4

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	3.77%	-	3.77%
Previous full calendar year (2023)	1.89%	3.77%	-	5.66%

* 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%	1.15%	-	1.15%
Last full calendar year (2024)	1.25%	2.23%	-	3.48%
Previous full calendar year (2023)	1.23%	2.46%	-	3.69%

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

Are accidents recorded?	Yes There was no work injury happened in last 12 months, it is confirmed with work injury records, workers and factory management interview.

← 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%

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%

← Measuring workplace impact
Code area 0 →

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: The factory established an employment policy and recruiting procedure. The policy and procedure included the following clause: 1. The factory does not require deposit or withhold employees' ID cards. 2. The factory does not limit the employees' right of freedom. 3. There is no forced, bonded or prison labour in the factory. 4. Employees are free to leave their employer after reasonable notice. 5. The factory allowed the auditor to conduct and complete the audit without obstruction and provided the auditor with genuine and authentic records. 6. The factory did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 7. The factory provided an accurate site description and Sedex site profile declared prior to or during the audit. 8. The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel. Evidence examined: Details: 1. Factory rules/regulations, anti-forced labour statement, training records on forced labour issues. 2. Personnel files including original ID copies, labor contracts and so on. 3. Resignation records. 4. Management and worker interviews. 5. Human righting policy training records. 6. SAQ

← Measuring workplace impact

Code area 1 →

0. Enabling accurate assessment

Data points

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

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

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory established 'Social Responsibility Management Manual', 'Employee Manual' and 'Social Responsibility Procedure Document'. These documents were in place to manage the issues at the site includes all relevant requirements of the code area, and further details could be found in the Recruitment Management System and Quit Management Procedures. For example, there was no deposit required for entry, seizure of employees' personal documents was prohibited, and employees can terminate their labor relations with the factory at any time according to their own wishes without fear of being docked wages. At the same time, the factory had developed corresponding disciplinary measures to punish violations of these policies such as warning, recording demerits, terminating contracts and others. Employees had access to these policies. The factory regularly reviewed and updated the policies and procedures. The factory policies and procedures were appropriate for the site context and were likely to lead to sustainability in the Base Code Area now and over time through regular review. 2Resources: Robust There were responsible people (Mr. Lu Xifan/Manager) available for ensuring implementation of the policies. Mr. Lu had received relevant training and used their knowledge to develop effective processes, and regularly organized meetings to train employees. Mr. Lu have the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Some Improvements Recommended Training at site was governed by a training procedure which was the specific responsibility of the Training Personnel. The factory had developed an annual training plan and trained employees according to the plan. Training records were available for review. However, employees were relatively unfamiliar with knowledge about forced labor and did not pay much attention to it. Because of this it was graded 'Some Improvements Recommended'. 4Monitoring: Some Improvements Recommended The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits. The factory also worked out and implemented active actions for the non-compliance noted during the internal audits. The factory provided appropriate channels for employees to report violations of these policies. However, the frequency of the regular monitoring of signs of forced labor was inadequate. Because of this it was graded 'Some Improvements Recommended'.

← Code area 0

Code area 1.A →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 0

Code area 1.A →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory established the recruitment management procedure and regularly updated this procedure. 2. The HR Manager was responsible for the recruitment work, and they were aware of the relevant law requirements. 3. The factory arranged the induction training for all newly joined employees and kept the relevant training records for review. 4. The factory signed labor contracts with all employees and issued the copies of the labor contracts to workers. The factory provided relevant training on labor laws for all employees. 5. Based on worker interviews, they were aware of the relevant requirements on labor works, including labor contracts. 6. Cross checking by documents review, management and worker interviews, no employment agency was used by the factory. All workers were recruited by the factory directly. 7. The factory recruited the newly joined workers by the advertisements, internet or employees' recommendation. 8. No agency staff or foreign employee was hired in the factory; all employees were employed directly by the factory, and they were Chinese. 9. Workers could freely leave the workplace, allowing for what is reasonable (e.g. for safety or security in hazardous worksites). Security guards did not restrict workers' freedom of movement beyond what is reasonable. 10. The surveillance only used for security management which was not excessive or for the purpose of controlling or intimidating workers. 11. The workers' original passports, travel or identity documents or any other valuable items were kept by workers themselves. 12. The factory allowed workers to resign at the end of their contract or at any time, without paying a fee, and receiving the full wages owed including any holiday pay/benefits. 13. All workers were paid monthly per legal requirement. 14. No any payments withholding and salary as deposit issue was identified. Evidence examined: Details: 1. Personnel files 2. Labor contracts 3. Recruitment procedure and employment procedure 4. Management and worker interviews 5. Employee handbook 6. Onsite visits 7. Employee roster 8. Training records

← Code area 0

Code area 1.A →

9. Letter of appointment

← Code area 0

Code area 1.A →

1. Employment is freely chosen

Data points

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

← Code area 1

Code area 1.A →

1.A. Responsible recruitment and entitlement to work

Management systems

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

← Code area 1

Code area 2 →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory's Social Responsibility Management Manual, Employee Manual and Social Responsibility Procedure Document outlined the systems which were in place to manage the issues at the site including all relevant requirements of the code area, and further details could be found in the Recruitment Management System and Quit Management Procedures. For example, there was no deposit required for entry, seizure of employees' personal documents was prohibited, and employees can terminate their labor relations with the factory at any time according to their own wishes without fear of being docked wages. At the same time, the factory had developed corresponding disciplinary measures to punish violations of these policies such as warning, recording demerits, terminating contracts and others. Employees have access to these policies. The factory regularly reviewed and updated the policies and procedures. The factory' policies and procedures were appropriate for the site context and were likely to lead to sustainability in the Base Code Area now and over time through regular review. 2Resources: Robust There was responsible people (Mr. Lu Xifan/Manager) available for ensuring implementation of the policies. Mr. Lu had received relevant training and used their knowledge to develop effective processes, and regularly organized meetings to train employees. Mr. Lu had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Robust Training at site was governed by a training procedure which was the specific responsibility of the Training Personnel. The factory had developed an annual training plan and trained employees according to the plan, evaluated the effectiveness of training, and the interviewees know the general requirements. Training records were available for review. Due to effective assessment of understanding of those provided training and/or communications, the factory can ensure a high level of efficacy. 4Monitoring: Robust The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits. The factory also worked out and implemented active actions for the non-compliance noted during the internal audits. The factory provided appropriate channels for employees to report violations of these policies. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

← Code area 1

Code area 2 →

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 per document review, management and workers interview, no employment agency was used by the factory. 2.The factory recruited the new workers directly by the advertisements, employees'recommendation and recruitment fair. 3.All workers in the factory were Chinese. 4.All workers had the proper legal rights to work in this region. 5.No agency staff or foreign worker was found during this audit. 6. All workers were hired by the factory directly through talent market or online recruitment, and no recruitment fees in the factory. Evidence examined: Details: 1.Hiring procedure. 2.Worker handbook 3.Personal files and contracts 4.Interview with management and workers.

← Code area 1

Code area 2 →

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No

← Code area 1.A

Code area 2 →

Percentage of workers that are migrant	24%
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	Most of them were from other provinces, such as Anhui, Henan, Shandong, Guizhou, Sichuan.

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?	Not Applicable
Were recruitment fees or costs identified during worker interviews?	No No recruitment fee or cost was required to be paid by the workers during recruitment processes.

← Code area 1.A

Code area 2 →

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

Management systems

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

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades

1Policies and Procedures: Robust
The factory "Worker Representative Election Procedure" which outlined the systems was in place to manage this issue at the site includes all relevant requirements of the code area, and further details could be found in the worker representative documents. For example, the worker representatives were elected freely by workers, interference from the management staff is forbidden, employees were encouraged to make collective bargaining with the factory, employees may form workers' organizations within the scope permitted by law. The factory regularly reviewed and updated the policies and procedures. Employees have access to these policies. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.

2Resources: Some Improvements Recommended
There was responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They utilized their knowledge to develop effective processes. They had the power to allocate resources and provide support to promote effective implementation of the policies. However, the relevant Manager was not familiar with the understanding of employee collective bargaining and the right to participate in strikes, because of this it was graded ‘Some Improvements Recommended’.

3Training and communication: Some Improvements Recommended
The factory had developed an annual training plan and trained employees according to the plan. Training records were provided. And the factory evaluated the effectiveness of the training. Workers interviewed also knew the policies. Workers interviewed were also aware of the grievance channels. There was a system available to make sure that there was a low chance of gaps regarding this training. However, employee representatives were in the exploratory stage of how to carry out their responsibilities, limited by their own cognitive limitations. The factory did not have more advanced guidance and training, because of this it was graded ‘Some Improvements Recommended’.

4Monitoring: Some Improvements Recommended
The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits. The latest internal audit was conducted on January 20, 2025. The factory also worked out and implemented active actions for the noncompliance noted during the internal audits. The management, worker representatives and workers regularly conducted meetings to communicate issues

← Code area 1.A

Code area 3 →

Management systems

	they were concerned about. However, the current monitoring process lacks one to one feedback from the workers, because of this it was graded 'Some Improvements Recommended'.

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 worker committee at this site. 2. The management has an open attitude towards the work committee. 3. The factory respected workers' rights to have Freedom of Association and Rights to Collective Bargaining. 4. Two worker representatives were elected in the factory in January 2025. The worker representatives were not discriminated against and had access to carry out the representative functions in the workplace. 5. Through workers interviews, the workers could raise their opinions, suggestions or grievances to the workers' representative or communicate to their supervisors directly. Evidence examined: Details: 1. Site policy on freedom of association 2. Worker representative election procedure 3. Minutes of the worker committee meeting 4. Interview with workers 5. Interview with worker representative 6. Interview with managers 7. Meeting records of workers' representative and management staff.

← Code area 1.A

Code area 3 →

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are 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

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

← Code area 2

Code area 4 →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory had developed detailed policies related to health & safety, such as 'Social Responsibility Management Manual', 'Emergency Plan', 'Equipment Safety Management Policy', 'Injury Management Policy', 'Electricity Safety Policy', 'Fire Safety Policy' and others. These policies included the commitment to improve performance on working conditions and workers' health care, especially for the workers exposed to occupational hazardous factors. The policy was reviewed annually by the Health and Safety Committee and signed by the General Manager and controlled by the quality management system procedure. Employees had access to these policies. The factory policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area. 2Resources: Robust Based on the established Health & Safety procedure, Mr. Lu Xifan/Manager, leading the Health & Safety Committee, had been appointed to oversee and implement the Health & Safety Policy. This individual had sufficient authority to ensure that procedures were carried out, and the EHS management team members had been trained by external agencies and obtained the Safety Management Certificates. The General Manager arranged an EHS meeting each month with the presence of the Health and Safety Committee, supervisors of each department and the worker representative to address Health and Safety concerns and provide updates. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Some Improvements Recommended The EHS Policy and procedure was communicated to workers annually. The factory has developed an annual training plan and trained employees according to the plan. The training records were all provided for review. The EHS training covers building safety, fire safety, electrical safety, machine safety, PPE usage and others. There was a system to measure the effectiveness of health and safety training, but there were isolated failures. For example, the effects of training on PPE wearing, equipment safety and goods placement did not meet expectations. Because of this it was graded 'Some Improvements Recommended'. 4Monitoring: Fundamental Improvements Recommended The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and have taken active actions for the noncompliance raised during the internal audit. The latest internal audit was conducted in January 2025 and the record was provided. However, some non-compliances such as one worker did not wear PPE, some sewing machines were not installed with finger guards and some goods were placed against wall during the

← Code area 2

Code area 4 →

Management systems

	internal audit. Because of major non-compliances noted during this audit, it was graded 'Fundamental Improvements Recommended'.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601058577
	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601058575
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601058576

← Code area 2 Code area 4 →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory provided occupational health training for employees and disseminated occupational health and safety knowledge. However, the effects of training on PPE, equipment safety and goods placement did not meet expectations. 2. Health & safety policies were established, and the factory managers were familiar with the policies. 3. Mr. Lu Xifan/Manager was appointed as Health & Safety Manager for the site. 4. There was a health & safety committee at the site. 5. H&S Risk assessments were conducted regularly. 6. The factory has conducted effective risk assessments to ensure the safety of all types of workers. Workers' suggestions were collected during the process of health & safety risk assessment. 7. The production activities include Rolling and sueding; Color printing; Heat transfer printing; Cutting; Sewing; Inspection and packing. Hazardous chemicals such as print inks were used onsite. 8. Two qualified first aiders were available at the facility. 9. The factory offered pre-job fire safety training for employees and organized fire safety training and fire protection drilling. The latest fire drill was conducted on 18 June 2025. Employees were aware of the evacuation routes under emergencies and knew how to use firefighting facilities. Employees also knew the location of the emergency assembly point. 10. There were at least two exits on each production floor, and they were clearly marked. All exits were unbarred and unlocked. 11. All evacuation aisles were clear and unblocked and its width was enough. 12. The factory kept the records of work-related injury; no accident or injury had occurred up to the audit date. 13. The factory established an emergency plan, including mechanical injury, fire accident, traffic accident, electric shock, environmental pollution, natural disaster and others. 14. One qualified electrician was available at the site and the qualification certificate was provided for review; the electrician monthly inspected the electrical safety of the factory. 15. All electrical equipment such as sockets, plugs, switches, and main fuse boards were inspected monthly. 16. Fire equipment (such as hydrants, extinguishers, fire alarms, and others) and evacuation facilities were equipped. 17. Firefighting facilities were inspected once every month, and check records were available. 18. There were designated fire fighters at the production floor. 19. The equipment management personnel regularly maintained the equipment and kept the maintenance records. However, some sewing machines were not installed with finger guards.

← Code area 2

Code area 4 →

20. The factory obtained the report of acceptance check for construction completion for its buildings.
21. The buildings were observed in safety conditions and without cracks.
22. Lavatory facilities were accessible and adequate in number and segregated for men and women. Washbasins and water taps were available and adequate. Free hand sanitizer and toilet paper were provided.
23. Chemical such as print ink was used for manufacturing the products. Secondary containers were used for chemicals storage, eye washer, SDS and warning signs were available at chemicals usage and storage areas.
24. Drinkable water was provided free of charge to workers.
25. The workshop had ventilation equipment, lighting, temperature, noise, and dust were appropriate.
26. No transportation, canteen or dormitory services were provided for workers.

Evidence examined:
Details:
1. Health & safety policy, Health & safety manual, Health & safety committee minutes
2. Training records and certificates
3. Fire equipment/electric device maintenance records
4. Fire drill records
5. Fire licenses and structural licenses
6. Trained first aider certificate
7. Accident reports
8. Potable water testing report
9. Interviews with H&S manager
10. Interviews with workers and H&S committee members
11. Onsite tours.
12. Chemicals list and SDS

← Code area 2 Code area 4 →

Findings: non-compliances

ZAF601058577

Non-compliance

Due 2025-09-17

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Description

Periodic Audit (7-8 August 2025): New finding
Based on onsite observation, it was found that one sueding worker did not wear appropriate PPEs (such as earplugs and dustproof mask) provided by the factory in the production workshop. 现场审核发现，工厂1位磨毛员工没有佩戴工厂提供的合适的劳保用品(耳塞和防尘口罩)。

Corrective and preventative actions

The factory should monitor and educate employees to wear appropriate PPE. 工厂应该监督教育员工佩戴合适的PPE。

Local law reference

Production Safety Law of the People's Republic of China (2014 Amendment), Article 42 A business entity must provide labor protection articles that meet the national standards or industrial standards to the employees, supervise and educate employees to wear and use these articles according to the prescribed rules. 中华人民共和国安全生产法（2014修正）第四十二条 生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。

Evidence

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

[One sueding worker did not wear PPE.JPG]

* PDF generated at 08:48 (UTC) on 18 Aug 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF601058575

Non-compliance

Due 2025-09-17

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

Periodic Audit (7-8 August 2025): New finding
Based on onsite tours, management and worker interviews, it was noted that there were no finger safeguards for 20% sewing machines in the sewing workshop.
根据现场巡视、管理层和员工访谈，缝纫车间20%缝纫机都缺少护指环。

Corrective and preventative actions

The factory should install sufficient safeguards correctly for all sewing machines as soon as possible.
工厂应尽快为所有的缝纫机正确安装足够的防护装置。

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Local law reference

General Rules of Design on Health and Safety of Production Facility (GB 5083- 1999) 6.1 Movable parts 6.1.1 Movable parts accessible to personnel shall be closed or isolated as far as possible. 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation.
生 产设备安全卫生设计总则（GB 5083- 1999） 6.1 可动零部 件 6.1.1 人员易触及的可动 零部件 ，应尽可能封闭或隔离。 6.1.2 对操作人员在设备运行时可能触及的可动零部 件，必须配置必要的安全防护装置

Evidence

No finger safeguards for sewing machines.JPG

* PDF generated at 08:48 (UTC) on 18 Aug 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF601058576

Non-compliance

Due 2025-10-17

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Issue title

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

Description

Periodic Audit (7-8 August 2025): New finding
Based on onsite tours, management and worker interviews, 10% of the goods in warehouse were stored against the walls (less than 0.5 meter). 根据现场巡视、管理层和员工访谈，仓库中 10%的货物靠墙存放（小于0.5米）。

Corrective and preventative actions

The factory should ensure the distance between goods and wall was at least 0.5 meter. 工厂应确保仓库内的货物和墙的距离至少0.5米。

Local law reference

General Rules for Fire Safety Management of Storage Occupancies (XF 1131-2014), Article. 6.8 Items stacked in the warehouse shall meet the following requirements: a) the distance between the upper part of the stack and the ceiling or flat roof is not less than 0.3m (the herringbone truss is counted from the beam); b) the distance between the item and the lighting is not less than 0.5m; c) the distance between the item and the wall is not less than 0.5m; d) the distance between the item stack and pillar is not less than 0.3m; e) the distance between the item stacks is not less than 1m. 仓储场所消防安全管理通则 （XF 1131-2014） 6.8 库房内堆放物品应满足以下要求： a）堆垛上部与楼板、平屋顶之间的距离不小于 0.3m（人字屋架从横梁算起）； b）物品与照明灯之间 的距离不小于0.5m； c）物品与墙之间的距离不小于 0.5m； d）物品堆垛与柱之间的距离不小于0.3m； e）物品堆垛与堆垛之间的距离不小于1m。

Evidence

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Materials stored against the wall.JPG

* PDF generated at 08:48 (UTC) on 18 Aug 2025. View this finding on the Sedex platform for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Chemical such as print ink were used for manufacturing the products
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable The factory did not alter the structure of all buildings by onsite check, such as added floors.
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

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

← Code area 3

Code area 5 →

Management systems

Explanation for management systems grades

1Policies and Procedures: Robust
The company 'Social Responsibility Management Manual' policies which outlined the systems were in place to manage the issues at the site includes all relevant requirements of the code area, and further details can be found in the policies such as worker recruitment policies, no child labor policy, remediation policies for the misuse of child labors and others. Employees had access to these policies. These policies were regularly reviewed and updated. The Policies 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 procedures included provision for non-employee (agency) workers. The Remediation Procedure outlined processes and responsibilities, including financial, for undertaking remediation. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review.

2Resources: Robust
There was a responsible person (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies and she was much aware of the policies and took periodic training to meet the requirements. Procedures were in place for interim responsibility in the case of position change or absence. Mr. Lu had enough power to facilitate the implementation of these policies. It can be effective in the management structure to achieve compliance sustainably over time.

3Training and communication: Robust
The factory had developed an annual training plan and trained employees according to the plan. The training records were provided for review. Training at site was governed by a training procedure which was the specific responsibility of the Training Personnel. The Child Labour Prevention and Remediation Policy was available and communicated to all employees, and there was general awareness of it amongst staff interviewed. Training on the Hiring Procedures was mandatory for all recruitment staff processing applications or on boarding. A training matrix utilized by line managers ensures that there was a very low chance of gaps regarding this training. Due to effective assessment of understanding of those provided training and/ or communications, the factory can ensure a high level of efficacy.

4Monitoring: Robust
Responsibilities for monitoring implementation of age-verification were defined by the Hiring Procedure. The procedure requires that audit of the records kept of this verification was conducted by the HR leads. Records were kept of monitoring activities. Any identification of misapplication of procedures, or concerns about

← Code area 3

Code area 5 →

Management systems

	application are escalated for action in regular management meetings. The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. The latest internal audit was conducted in January 2025. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

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 factory established a policy that will never employ and use any child labour under the age of 16 years old. 2. Remediation procedure regarding child labor and relevant policy for young workers was established. 3. The factory would verify all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files. 4. Sufficient numbers of employees' personal files were provided for review. Each employee file included a bio-data sheet, a recent photo and the age documentation,which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth. 5. The youngest employee was 26 years old at this site. The worker was born on 4 July, 1999 and entered the factory on 12 December, 2022. Evidence examined: Details: 1. Policy on anti-child labor 2. Record of personal file etc 3. Management and worker interviews 4. Child labor remediation procedure and young workers' protection procedures 5. Onsite tours

← Code area 3

Code area 5 →

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	26
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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 4

Code area 5.A →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The company 'Employee Manual', 'Labour Contract', 'Social Responsibility Management Manual' and others which outlined the systems were in place to manage the issues at the site includes minimum wage, insurance, benefit, overtime wage, pay date, pay stubs and further details can be found in the policies on worker manuals, labour contracts and others. The policies were regularly reviewed and updated. Employees have access to these policies. The factory Policies and procedures followed local law and ETI requirements and were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2 Resources: Robust There was responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They were aware of the policies and have enough power to facilitate the implementation of these policies. 3Training and communication: Robust The factory had developed an annual training plan and trained employees according to the plan and the training records were provided for review. The factory evaluated the effectiveness of the training related to wage & benefits. Workers interviewed were aware of the relevant benefits, wage calculation and others. All workers participated in social insurance. Due to effective assessment of understanding of those provided training and/ or communications, the factory can ensure a high level of efficacy. 4Monitoring: Robust The factory continuously assessed the effectiveness of these procedures via regular monitoring and internal audits and takes proactive measures in response to noncompliances. The most recent internal audit was conducted in January 2025. All workers were participated in social insurance. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 4 Code area 5.A →

No findings

Systems and evidence examined to validate this code section	Current Systems: 1.The factory established the wages and benefits management procedure, wages were paid on time accurately and according to legislation. 2.The local legal minimum wage standard has been raised to CNY 2490 per month equivalent to CNY 14.31 per hour since January 1, 2024. 3.Payroll records from July 2024 to June 2025 were provided by the factory for checks. All workers were paid by hourly wages, and the minimum wages were CNY3500 per hour, which was higher than local law required. 4. The factory paid 150% of basic wage rate for weekday overtime working hours, 200% of basic wage rate for weekend overtime working hours, 300% of basic wage rate for statutory holiday overtime working hours. While there was no worker worked overtime on weekdays and statutory holiday during the audit. All workers were paid around 30th of every month by bank transfer and each worker was given a pay slip. 5. Workers understood their wages, including clear contractual clauses, time recording systems and pay slips. 6.The factory had provided annual leaves, breastfeeding leave and maternity leave for workers according to the benefit policy. 7.The employees who violated the factory rules would be warned, gigged or fired, no monetary fine for disciplinary purpose. 8.The factory provided social insurances to all eligible employee, and the factory provided accident insurance for all other retired employees. Evidence examined: Details: 1. Employee handbook 2. CSR manual 3. Local and national laws 4. Local legal minimum wage documents 5. Training records 6. Payroll records 7. Time records 8. Leave records 9. Resignation records 10. Production records 11. Sample pay slips with recorded hours of all workers interviewed 12. Workers' contracts 13. Social insurance receipt 14. Interview with workers and management

← Code area 4

Code area 5.A →

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages meet a living wage The legal minimum 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?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker renumeration

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

Summary information

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

← Code area 4 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**	0.0
	Max hours per week	8.0
	Max hours per month	36.0
Minimum legal wage	**Min per hour**	14.31
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2490.0
Actual minimum wage	**Actual per hour**	20.12
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	3500.0
Minimum legal overtime wage	**Min per hour**	21.47
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable

← Code area 5
Code area 5.A →

Actual minimum overtime wage	**Actual per hour**	30.18
	Actual per day	Non applicable
	Actual per week	321.92
	Actual per month	1448.64

Wage analysis

Number of workers' records checked	33
Provide the date and details of the records	11 samples from June 2025 (current) 11 samples from March 2025 (random) 11 samples from November 2024 (random)
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% workers' minimum wages were paid at least CNY 3500 per month, which was higher than the local law requirement (CNY 2490 per month).
Are there any bonus schemes used?	No
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

← Code area 5

Code area 5.A →

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

Systems and evidence examined to validate this code section	Current Systems: 1.The facility established wages and benefits policy and procedure, which ensure all employees' minimum wage exceeded the legal requirement. 2.The factory has calculated the living wage to ensure that the total salary of all employees exceeds the minimum living wage. According to 11 sampled living wage records, the factory included the transportation, education, food, clothes, housing, energy using, unexpecting needs and savings, etc, into the living wage. The minimum living wage was about RMB 3394.63 per month through Engel coefficient and the lowest wage provided by the factory more than minimum living wage. 3. The facility has a wage improvement plan for all employees. 4. There was an annual review when local wage rates were examined. Evidence examined 1.Wages and benefits policy and procedure 2.Local and national laws 3. Living wage documents 4.Overtime premiums records 5.Labour contracts for all workers 6.Worker interview and management interview

← Code area 5

Code area 6 →

6. Working hours are not excessive

Management systems

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

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust Management Systems The factory had formulated written policies and procedures regarding attendance management, overtime regulations, overtime remuneration, production contingency plan, and so forth. The policies made reference to the Employees Manual, which outlines the key mechanisms in place for preventing workers from excessive working hours. Those procedures included provision for young workers, female workers and pregnant workers. It regularly undertook reviews and updates of these policies and posts them on the employees' noticeboard. 2Resources: Robust There was responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They were aware of the policies and have enough power to facilitate the implementation of these policies. 3Training and communication: Some Improvements Recommended The factory has developed an annual training plan and trained employees according to the plan. Workers interviewed were aware of the working hour policies and confirmed that overtime work in the factory was on a voluntary basis. However, it's recommended to communicate the policy to all the workers through posting it on the announcement board. Because of this it was graded 'Some Improvements Recommended'. 4Monitoring: Some Improvements Recommended The factory continuously assesses the effectiveness of these procedures via regular monitoring and internal audits and takes proactive measures in response to non-compliances. The most recent internal audit was conducted in January 2025. The factory had an accurate electronic attendance system to record workers' attendance. The HR supervisor could access workers' attendance data by operating the attendance machine. If workers had questions about their attendance, they could check the attendance data accompanied by the HR supervisor. However, while positive, it's recommended to conduct a regular meeting with the workers to get their feedback. Because of this it was graded 'Some Improvements Recommended'.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 5.A

Code area 7 →

6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC	ZAF601036262

Systems and evidence examined to validate this code section

Current systems:
1. The working hours were recorded by face scan system, and employees could report to the HR department if the time records were wrong.
2. The attendance records from July 1, 2024 to the audit date were provided and sampled.
3. The working hour policy and labour contracts indicated that the regular working hours in the factory were 8 hours per day and 5 days per week.
4. The factory arranged the production according to the orders, so there was no fixed peak or non-peak seasons.
5. There was one shift for all workers: 7:30-11:30, 13:00-17:00. Overtime hours was 8 hours on Saturday if needed.
6. All the employees during workers interview stated that they worked overtime on voluntary basis.
7. The maximum weekly working hours were 48 hours.
8. The maximum overtime hours were 8 hours per week which happened in all 3 sampled months, the monthly overtime hours were not exceed 36 hours in each month, and the maximum monthly overtime hours were 36 hours in June 2025.
9. All workers had one day off in seven days.
10. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.
11. The factory established working hours and overtime management procedures that ensure working hours meet the international labour standards and national regulation.

Evidence examined – to support system description:
1. Policy on working hours
2. Laws and regulations
3. Labour contracts
4. Attendance records
5. Attendance system
6. Production and quality records to cross check hours
7. Procedure regarding working hours and overtime control
8. Management interview and worker interview

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601036262

Non-compliance

Due 2024-10-22

Code area

6 Working hours are not excessive

Workplace requirement

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

Issue title

480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)

Description

Periodic Audit (7-8 August 2025): Corrected
Based on attendance records from July. 2024 to the audited day review, the maximum overtime of workers were 36 hours per month which was in accordance with the legal requirements.

Description (carried over)

Based on 30 sample employees' time records (10 samples from June 2024 (current month), 10 samples from March 2024 (random month) and 10 samples from December 2023 (random month)) , the situation of
monthly overtime working hours yielded the following: All 10 sample employees' overtime hours were 60 hours per month in June 2024, all 10 sample employees' overtime hours were 60 hours per month in March 2024, and all 10 sample employees' overtime hours were 60 hours per month in December 2023, which exceeded legal overtime limit: 36 hours per month. 基于工时记录中工抽取的30个样本（其中从2024年06月(当前月）抽取10个，从2024年03月(随机月)抽取10个，从2023年12月(随机月)抽取10个），发现所有10名员工在2024年06月的月加班时间为60小时,发现所有10名员工在2024年03月的月加班时间为60小时, 发现所有10名员工在2023年12月的月加班时间为60小时,超过每月加班时间不能超过36小时的法律规定。

Corrective and preventative actions

N/A

Status

Closed (2025-08-08)*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

← Code area 6

Code area 7 →

Corrective and preventative actions (carried over)

The factory will ensure the overtimes of workers in accordance with the legal requirements. The maximum overtime hours do not exceed 36 hours a month. 工厂应该确保员工的加班时间符合国家法规要求。最大加班时间每月不超过36小时。

Local law reference

In accordance with the China 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 36 hours. 依据《中华人民共和国劳动法》第41条，用人单位由于生产经营需要， 经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

* PDF generated at 08:48 (UTC) on 18 Aug 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?	100% of workers were paid for overtime wages as local law together with normal wages on a monthly basis. In addition, the factory paid 200% of normal wage for overtime on rest days for employees, and no working overtime on weekdays and public holidays, which was higher than 125% overtime premium, so there was no other consideration.
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?	46.0
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

← 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

← Code area 6

Code area 8 →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory 'Social Responsibility Management Manual', 'Employee Manual' and others which outlined the systems were in place to manage the issues at the site, including main relevant requirements of the code area, and further details can be found in the discriminatory risk policy, recruitment policy and others, which outlines the key mechanisms in place for preventing discrimination issues. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There was a responsible person (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies and was very much aware of the policies. Regular training was available to ensure the management meet the requirements. Mr. Lu had enough power to facilitate the implementation of these policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Robust The factory had developed an annual training plan and trained employees according to the plan. The training records were provided for review. Training at site was governed by a training procedure which was the specific responsibility of the Training Personnel. Employees interviewed were aware of no discrimination policies and stated that they were equally treated. Due to effective assessment of understanding of those provided training and/ or communications, the factory can ensure a high level of efficacy. 4Monitoring: Robust Channels were provided for employees to report discrimination issues. The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 6

Code area 8 →

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. The factory has established a policy on no discrimination and implemented it strictly. For example, the factory has identified discrimination risks and worked out relevant monitoring measures. 2. No discrimination was noted regarding hiring, job assignment, wages, bonus, allowance, promotion, discipline, work assignment, etc. 3. All interviewees stated that they were treated fairly and compensated for the same wage for the same job. 4. The factory provided evidence of their equity approach and planned activities. Evidence examined: Details: 1. The hiring and termination procedure, leave application records and employee handbook. 2. Payrolls/ attendance records 3. Termination records 4. Training records 5. Management/ worker interviews

← Code area 6

Code area 8 →

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	60%
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)	8%
Three most common nationalities in managerial and supervisory roles	Chinese 100%

← Code area 7

Code area 8 →

8. Regular employment is provided

Management systems

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

← Code area 7

Code area 8.A →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory 'Social Responsibility Management Manual', 'Employee Manual' and others which outlined the systems were in place to manage the issues at the site, including the main relevant requirements of the code area, and further details can be found in the recruitment management procedures, labor contract and others. The policy defined the circumstances for signing different types of labor contracts, such as fixed term labor contracts, non-fixed-term labor contracts, and retirement reemployment agreements. The factory regularly reviewed and updated the policies. Employees have access to these policies. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There were responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They utilized their knowledge to develop effective processes. They had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Robust The factory had developed an annual training plan and trained employees according to the plan and evaluated the effectiveness of the training. The interviewed employees were aware of the policies. Employees knew the content of the labor contracts. Due to effective assessment of understanding of those provided training and/ or communications, the factory can ensure a high level of efficacy. 4Monitoring: Robust The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. Effective monitoring was conducted on violations of employee recruitment, promotion and training management regulations, and overall performance was reported to relevant senior management. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

Summary of findings

← Code area 7

Code area 8.A →

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 factory directly. 2. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home workers were identified. 3. The factory signed labour contracts with all workers when they joined the factory within one month, and one copy would be provided to them. 4. All legally required items were contained in the contracts and no negative evidence was identified in labour contents between workers and the factory. 5. The factory kept all workers' personal files and contracts for review. The factory established employment procedure for workers' recruitment. Evidence examined: Details: 1. Hiring policy/procedure 2. Employee list/ personal files/ labour contracts 3. Recruitment posters 4. Management/ worker interviews

← Code area 7

Code area 8.A →

8. Regular employment is provided

Data points

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

← Code area 8

Code area 8.A →

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

Management systems

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

← Code area 8

Code area 9 →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory had established documented policies and procedures on sub-contracting and homeworkers and regularly reviewed & updated the policies. Employees had access to these policies. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There were responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for him to ensure the management meets the requirements. Mr. Lu utilized knowledge to develop effective processes. He had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Some Improvements Recommended The factory has developed an annual training plan and trained employees according to the plan and evaluated the effectiveness of employee training. Employees were aware of what sub-contracting and homeworkers are. However, it's recommended to communicate the policy to all suppliers through posting it on the announcement board. Because of this it was graded ‘Some Improvements Recommended’. 4Monitoring: Some Improvements Recommended The factory provided channels for employees to report homeworker issues to relevant senior management. No sub-contracting and homeworker issues have occurred so far. The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. However, not all the areas were contained in internal audit, such as how to employ and manage home working. Because of this it was graded ‘Some Improvements Recommended’.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 8

Code area 9 →

Systems and evidence examined to validate this code section	Current Systems: 1. The factory has established subcontractor management procedures, there were no home workers found during this audit. 2. If the client's products need subcontractors, the factory would inform the client, no inconsistent evidence was detected regarding this section. 3. Based on the site tours, the factory had all kinds of equipment to produce customers' products, and all the production processes were completed on site. 4. By checking the production records, quality records, warehouse records and order information, no subcontractor was used by the factory. Evidence examined: Details: 1. List of approved suppliers 2. Production records 3. Quality records 4. Warehouse records 5. Customer orders 6. Interview with management and workers 7. Site tours 8. Visitor/vehicle logs

← Code area 8

Code area 9 →

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

Data points

Are homeworkers employed directly or engaged through an agent?	Not applicable
Gender disaggregated data available	

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?	
Are full records of homeworkers available at the site?	
Does the supplier buy products or services from suppliers that use homeworkers?	No No homeworker was used by the factory and its suppliers.

Sub-contracting

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

← 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

← Code area 8.A

Code area 10.A →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory had established documented policies and procedures on harsh or inhumane treatment and regularly reviewed & updated the policies. The disciplinary measures in the factory included warning, recording demerit and termination, which were all in compliance with local law requirements. Employees had access to these policies. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There was responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They utilized their knowledge to develop effective processes. They had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Robust The factory had developed an annual training plan and trained employees according to the plan and evaluated the effectiveness of employee training. Employees were aware of no harsh or inhumane treatment policies. Employees interviewed all confirmed that there were no harsh or inhumane treatment issues in the factory. Due to effective assessing of understanding of those receiving training and/ or communications, the factory can ensure a high level of efficacy. 4Monitoring: Robust The factory continuously monitored the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. The latest internal audit was conducted in January 2025. The channels were provided for employees to report relevant issues to the senior management. Effective monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 8.A

Code area 10.A →

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. The factory management has established a disciplinary procedure for workers'misbehavior which included oral warning, written warning and finally termination. 2. The factory has developed a training program for all employees on disciplinary procedure. 3. Based on worker interviews, it was noted that workers were aware of the disciplinary procedure. 4. There was an internal process for grievance such as an anonymous suggestion box, where workers could report any grievances (harassment, bullying, discrimination, etc.). 5. Any complaint received would be handled by the management without any reprisal for the worker in question. Evidence examined: Details: 1. No Harsh or Inhumane Treatment statement and policy 2. Grievance reporting/handling policy 3. Disciplinary policy/procedure and records 4. Suggestion/comment box check/filing records 5. Management/ worker interviews.

← Code area 8.A

Code area 10.A →

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Suggestion box, management staffs, hotline, worker representative, email, Wechat, etc. For details, there were 2 points below: 1) The employees could raise their complaints directly to management staffs, worker representative, or put letters in suggestion box to state their opinions and suggestions, and then management staffs would post corresponding feedback on the bulletin board. Besides, the workers could report to the local authority departments such as local labour bureau If the violations occurred in the factory. 2) External stakeholders (including the local communities, government agencies, suppliers, surrounding factories and NGO) could raise their grievances through the company' s public contact information, such as hotline and email, management staffs would deal with it timely.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

← Code area 9

Code area 10.A →

10.A. Environment 2-Pillar

Management systems

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

← Code area 9

Code area 10.B →

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory had established documented policies and procedures on environmental Protection and regularly reviewed & updated the policies. Employees had access to these policies. The policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There were responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. Mr. Lu utilized his knowledge to develop effective processes. He had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Some Improvements Recommended The factory had developed an annual training plan and trained employees according to the plan and evaluated the effectiveness of employee training. Employees also understand relevant environmental policies and have good environmental awareness. However, the workers were not concerned about whether the factory used some environmental protection facilities and had no understanding of ESG, because of this it was graded 'Some Improvements Recommended'. 4Monitoring: Some Improvements Recommended The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits and takes active actions for the non-compliance raised during the internal audits. However, the factory's current environmental actions were only at the level of complying with national laws and regulations. It was still in the exploratory stage and had not taken any practical actions in the areas of independent carbon reduction, carbon footprint research, and the replacement of traditional energy with clean energy, because of this it was graded 'Some Improvements Recommended'.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 9

Code area 10.B →

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. Based on factory regulation and employee private interviews, the working conditions were well ventilated. 2. The factory has established environmental protection policies to ensure its business model in line with local environmental laws. 3. Mr. Lu Xifan/Sales Manager was responsible for implementing these policies. 4. The factory had also collected applicable laws and regulations on environmental protection. 5. Main environmental impact factors have been identified during production activities. 6. The factory obtained discharge registration of fixed pollution source. Evidence examined: Details: 1. Environment policy, manual & procedures. 2. Training records 3. Management and worker interviews 4. Site tours 5. Environmental related certificate and documents

← Code area 9

Code area 10.B →

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The factory had filled the fixed pollution source registration, period of validity was from 13 March 2024 to 12 March 2029.
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?	Yes The factory developed a written management policy about climate change, defined a five-year (2024 year - 2028 year) plans with targets (including baseline and phased goals) and adaptive action measures to reduce the environmental impacts, arranged the relevant training for the workers, they were aware of environmental protection, such as saving water, saving electricity and waste reduction.

← 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	Current Systems: 1. The factory had the continuous improvement plan for improving their environmental performance. The factory recorded and reviewed the usage and discharge of natural resources. And the factory provided the waste gas, wastewater and noise monitoring report that the monitor happened on November 2024. 2. The factory established environmental management procedures and an environmental management committee to implement the control measures on environment protection. 3. The factory had established an environmental policy, covering their environmental impact, which was communicated to all appropriate parties, including its suppliers. 4. The factory established resource-use targets and a plan to reach them well. 5. The factory provided environment training for relative management and workers per year and kept relative training records. Mr. Lu Xifan/Manager was responsible for the environmental management, understood local environment laws and regulations, understood the end clients' environmental standards / code requirements. Evidence examined: Details: 1. Waste gas, wastewater and noise monitoring report 2. Training records on environment 3. Environmental policy 4. Resource-use targets and a plan 5. Record of energy use, hazardous substance use and waste, and effluent discharge.

← Code area 10.A

Code area 10.C →

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Prioritising local suppliers Biodiversity and eco system impact management Sustainable material sourcing
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory had system for managing client's requirements and legislation in the destination countries regarding environmental, such as environmental guideline was in place.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs) Yes, to reduce scope 2 greenhouse gases (GHGs) Yes, to increase low-carbon energy consumption or production
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The factory provided relevant documents (water consumption and discharge, electricity consumption, waste, and so on) for review during the audit.
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

← Code area 10.B

Code area 10.C →

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	158,217	165,380
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
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	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	437	451
Water discharged	Municipal sewage network	Municipal sewage network
Water volume discharged (m3)	428	441
Water volume recycled (m3)	0	0

← Code area 10.B

Code area 10.C →

Total waste produced (mt)	2.6	3.2
Total hazardous waste produced (mt)	0.6	0.8
Waste to recycling (mt)	0.4	0.4
Waste to landfill (mt)	0	0
Waste to other (mt)	1.6	2
Total product produced (mt)	125.4	103.6

← Code area 10.B

Code area 10.C →

10.C. Business ethics

Management systems

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

← Code area 10.B

Management systems

Explanation for management systems grades	1Policies and Procedures: Robust The factory has developed written business ethic policies, which set forth that the auditee forbids any act of corruption, extortion or embezzlement or any forms of bribery during business activities. The policies were regularly reviewed and updated. Employees have access to these policies. The factory Policies and procedures were appropriate for the site context and were very likely to lead to sustainable compliance with the Base Code Area now and over time through regular review. 2Resources: Robust There was responsible people (Mr. Lu Xifan/Manager) available to ensure the implementation of the policies, and regular external or internal training was available for them to ensure the management meets the requirements. They utilized their knowledge to develop effective processes. They had the power to allocate resources and provide support to promote effective implementation of the policies. It can be effective in the management structure to achieve compliance sustainably over time. 3Training and communication: Some Improvements Recommended The factory has developed an annual training plan and trained employees according to the plan and the training records were provided for review. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone, including Anti Bribery Management Procedure. However, the factory did not verify the effectiveness of the training. Because of this it was graded 'Some Improvements Recommended'. 4Monitoring: Some Improvements Recommended The management team regularly conducted meetings in terms of business ethic issues and figured out business ethic risks associated to its production activities, key positions (such as sales, quality control, purchase, finance, warehouse and others) and worked out relevant precautionary measures. The factory continuously monitors the effectiveness of these procedures through regular monitoring and internal audits and take active actions for the non-compliance raised during the internal audits. However, not all the areas of business ethics were contained in internal audit, such as business ethics forms. Because of this it was graded 'Some Improvements Recommended'.

Summary of findings

← Code area 10.B

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. Mr. Lu Xifan/Manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and / or bribery. 2. The company established business ethics policy, which met national regulations /law concerning the relative standards. 3.The business ethics policy was communicated to workers through posters and training. 4.The site had received the Business Ethics policy of the auditor/audit company. 5.There was an internal grievance process, and there was a suggestion box sited in the workshop. 6.The factory also communicated the company's business ethics policies to stakeholders. The factory has appointed one administrator to receive complaints and suggestions from stakeholders through direct telephone, exclusive email or letter. 7.No integrity case was detected during this audit. 8.The factory was not subject to (or pending) any fines/prosecutions for noncompliance to Business Ethics Regulations. Evidence examined: Details: 1.The company business ethics policy; 2.Position description 3.Training records 4.Worker handbook 5.Interview with management and workers 6.Supplier list 7.Complaint/appeal/grievance record

← 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	1. The factory had a Business Ethics Policy and training records were maintained. 2. The factory had provided training to all employees on April 10, 2025. 3. Based on ethics document policy, the factory updated the policy once per year. 4. The factory conducted social compliance assessment for their main suppliers in February, 2025 and the business ethics training was included in the assessment.

← Code area 10.C

Attachments

[25CHN-1422934 Signed CAPAR-ZAA600148719.pdf]

[25CHN-1422934 Photo report.pdf]