

# Sedex Members Ethical Trade Audit Report

Version 7



# Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Summary of findings](#)

[Management systems](#)

[Site details and data points](#)

[Site details](#)

[Worker analysis](#)

[Worker interviews](#)

[Measure workplace impact](#)

[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](#)

[3. Working conditions are safe and hygienic](#)

[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](#)

[10.A. Environment 2-Pillar](#)

[10.B. Environment 4-Pillar](#)

[10.C. Business ethics](#)

[Attachments](#)

## Audit content

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

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

### Included in a 2-Pillar audit:

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

### Included in a 4-Pillar audit:

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

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

# Audit and site details

## Audit details

Sedex company reference	[REDACTED]	Auditor company name	Benchmarks Company Limited
Date of audit	2024-10-08	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference	[REDACTED]	Site name	[REDACTED] Co Ltd
Business name	[REDACTED] Co Ltd	Site address	[REDACTED] CN
Site phone	[REDACTED]	Site email	[REDACTED]

# Audit parameters

Time in and out	Day 1	
	In	09:00
	Out	17:00
Audit type	Periodic	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Ms. [REDACTED] / Administration 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 union in the factory.		
Reason for absence during the audit	There was no union in the factory.		
Reason for absence at the closing meeting	There was no union in the factory.		



# SMETA declaration

## Auditor team

### SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

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

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

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

Nil

Lead auditor

Becky Liu

APSCA Number

21705427

Additional auditor

Jagger Lai

APSCA Number

32400337

Date of declaration

2024-10-08

---

## 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	Ms. [REDACTED]
Title	Administration Manager
Date of declaration	2024-10-08

## Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC [REDACTED]
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§2	NC [REDACTED]
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safet...	§3	NC [REDACTED]
	3.R Provide clean and secure toilets, wash ar...	§4	NC [REDACTED]
	3.M Ensure all machinery is installed, mainta...	§5	NC [REDACTED]
	3.O Implement an appropriate electrical safet...	§6	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§7	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§8	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§9	NC [REDACTED]
	3.H Where identified as necessary to reduce r...	§10	NC [REDACTED]

## Local law issues

§1	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.
§2	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.
§3	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.
§4	In accordance with Article 2.2 of National Safety Technical Code for Electric Equipments (GB 19517- 2009) 2.2 Preventive measure against the hazard of electric shock Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy. 2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on. 2.2.3 To prevent accidental contract with live parts, electrical equipment structure and/or housing can be used, or the device can be placed in aclosed electrical work field. The parts used to prevent direct contact are only allowed to be removed or opened by means of tools....
§5	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
§6	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
§7	In accordance with Article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.
§8	In accordance with Article 37 of Law of the People's Republic of China on Production Safety, an employer shall provide employees with occupational health and safety conditions and necessary personal protective equipment conforming to the state stipulations and shall monitor and educate employees on how to wear and use such personal protective equipment according to use instruction.

- §9 Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.
- §10 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

## Management systems

















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


Not addressed


Fundamental improvements required

Some improvements recommended


Robust management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

## Site details

### Company and site details

Sedex company reference	[REDACTED]	
Sedex site reference	[REDACTED]	
Company name	[REDACTED]	Co Ltd
Business ownership type	GOODS	
Site name	[REDACTED]	Co Ltd
Site name in local language		
GPS location	GPS address	[REDACTED]
	Coordinates	[REDACTED]
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. [REDACTED]
	Job title	Administration Manager
	Phone number	[REDACTED]
	Email	[REDACTED]
Applicable business and other legally required business license numbers and documents	Business licence No.: [REDACTED] and the valid from March 20, 2012 to long term.	

### Site activities

Site function	Factory Processing/Manufacturer
---------------	---------------------------------



## Site activities

Site activities	Primary	Manufacture of other articles of paper and paperboard
	Secondary	
	Other	
Product type	Notebook	
Process overview	The main product manufactured in the factory was notebook. The main production process was listed as below: Printing- Paper cutting- Indentation- Folding- Sewing- Binding- Packaging.	
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?	7200m <sup>2</sup>	
Building 1	Last construction works on site	2005
	If building is shared, provide details	Shared with landlord ( [REDACTED] Co., Ltd)
	Number of floors	3
	Description of floor activities	1F: Paper/leather cutting workshop. 2F: Office, patterning room. 3F: used by landlord ( [REDACTED] Co., Ltd)
Building 2	Last construction works on site	2005
	If building is shared, provide details	Shared with landlord ( [REDACTED] Co., Ltd)
	Number of floors	4
	Description of floor activities	1F: Printing workshop, covering workshop. 2F: Assembling workshop. 3F: Packing workshop. 4F: used by landlord ( [REDACTED] Co., Ltd)

## Site scope

Building 3	Last construction works on site	2005
	If building is shared, provide details	Shared with landlord (██████████ Co., Ltd)
	Number of floors	4
	Description of floor activities	1F: Gluing workshop, edge folding workshop. 2F: Assembling workshop. 3F: Warehouse. 4F: used by landlord (██████████ Co., Ltd)

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  
N/A

## Work patterns

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

## Work patterns

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

## Site assessments

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

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? No  
N/A

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

# Worker analysis

Gender disaggregated data available

Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	23 (50%)	23 (50%)	- -	46 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	23 (50%)	23 (50%)	- -	46 (100%)
Temporary or fixed term employees	0 (0%)	0 (0%)	- -	0 (0%)
Agency or subcontracted workers	0 (0%)	0 (0%)	- -	0 (0%)
Seasonal workers	0 (0%)	0 (0%)	- -	0 (0%)
Self-employed workers	0 (0%)	0 (0%)	- -	0 (0%)
Informal workers including home workers	0 (0%)	0 (0%)	- -	0 (0%)
Apprentices, trainees or interns	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

## Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	17 (37%)	15 (32.6%)	- -	32 (69.6%)
International migrant workers	0 (0%)	0 (0%)	- -	0 (0%)
<b>Total migrant workers</b>	<b>17 (37%)</b>	<b>15 (32.6%)</b>	<b>- -</b>	<b>32 (69.6%)</b>

\* % of total workforce

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

Most of the migrant workers moved from Henan, Anhui, Sichuan, Hubei province.

## Workers by age

	Men	Women	Other	Total
18 - 24 years old	3 (6.5%)	0 (0%)	- -	3 (6.5%)
15 - 17 years old	0 (0%)	0 (0%)	- -	0 (0%)
Under 15 years old	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

## Workers by employee type

	Men	Women	Other	Total
Employees in management positions	2 (4.3%)	0 (0%)	- -	2 (4.3%)
Supervisors or team leaders	5 (10.9%)	0 (0%)	- -	5 (10.9%)
Administrative staff	- -	- -	- -	0 (0%)

\* % of total workforce

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

Describe how this may vary during peak periods N/A. The peak season was not obvious according to factory tour, document review, management interview and workers interview.

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	50%	50%	-	100%

## Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid hourly / daily rate	0 (0%)	0 (0%)	- -	0 (0%)
Salaried workers	23 (50%)	23 (50%)	- -	46 (100%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 (0%)	0 (0%)	- -	0 (0%)
Paid weekly	0 (0%)	0 (0%)	- -	0 (0%)
Paid monthly	23 (50%)	23 (50%)	- -	46 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

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

# Worker interview summary

Gender disaggregated data available      Men and women

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

## Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews      1 group of 5 workers and 5 workers were interviewed individually.

Did workers understand the purpose of the audit?      Yes

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

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

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



## Attitude of workers

In which areas did workers raise significant concerns or complaints?	Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)
What did the workers like the most about working at this site?	Hours worked, rest days or breaks Job security Grievance mechanisms Pay Freedom of movement
Additional comments	Nil
Attitude of workers' committee/union representatives	The worker representatives were elected by workers freely. The worker representatives showed a cooperative attitude during the interview process. The representatives expressed a positive attitude to management and workplace. All the worker representative activities were supported by the factory. The work environment was acceptable. No negative evidence was found.
Attitude of managers	The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit, to take photo of the factory, to copy relevant document records and conduct confidential workers' interview. During the audit, management showed they were willing to gradually improve all issues found on-site.

## Workers interviewed by type

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

## Workers interviewed by group/individual

	Men	Women	Other	Total

### Workers interviewed by group/individual

Workers interviewed in groups	3	2	-	5
Workers interviewed individually	3	2	-	5

### Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	4	4	-	8
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	4	4	-	8

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

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

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

## Rate of absenteeism (%)\*

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

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

Are accidents recorded?      Yes

Accidents were recorded per month in the factory. It was noted that there were no accidents in this year and last year.

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

	Men	Women	Other	Total
--	-----	-------	-------	-------

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

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

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

### Lost day work cases (per 100 workers)\*

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

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

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

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

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

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

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

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

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	1. Employee handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees. 2. Company manual contained details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law. 3. Management interview and worker interview.		

0. Enabling accurate assessment

## Data points

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

Did any workers selected by the auditor decline to be interviewed? No

Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? No

# 1. Employment is freely chosen

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Based on interview with the management &amp; workers and document review, it was identified that the factory had established the employment policies &amp; program.</p> <p>2. Factory established human resources policies – given to all workers on joining, states that workers within their probation period are free to leave with 3 days written notice and once a worker is permanent (this is out of probation) they can resign from the factory with one month's prior written notice, given to their supervisor or the personnel office. The handbook also states that they will be given their full wages on their last day of work.</p> <p>3. The employees obtained their job by HR market or by friend's recommendation.</p> <p>4. Based on the workers and management interviews, the workers were free to leave after work shift, and there was no bonded or involuntary prison labor identified.</p> <p>5. The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section			<p>1. The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review</p> <p>2. Personnel files</p> <p>3. Contracts to establish notice periods</p> <p>4. Management interview and employee interview</p> <p>5. Facility tour showed no sign of employees being under pressure</p>





1. Employment is freely chosen

## Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
--	----------------

Does the site utilise any workers who are prisoners?	No
--	----

Does the site use the labour of persons required to work under any government scheme?	No
---	----

# 1.A. Responsible recruitment and entitlement to work

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. All of the workers were recruited directly by the factory. The factory recruited the new workers by the advertisements or the employees' recommendation.</li> <li>2. Confirmed by interview with the Administration manager, it was confirmed that only workers with a legal right to work could be employed or used by the factory. All workers would be reviewed and validated the original documentation before they employed.</li> <li>3. All workers must be verified by the factory for their legal right to work according to reviewing original documentation.</li> <li>4. The factory also established the identify recognition policy of the employee to make sure the employed one with a legal right to work.</li> <li>5. As per document review, management and workers interview, no employment agency was used by the factory.</li> <li>6. Per document review, factory management representation and workers interview, all workers in the factory were Chinese.</li> <li>7. All workers had the proper legal rights to work in this region.</li> </ol>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1. Hiring procedure</li> <li>2. Worker handbook</li> <li>3. Personal files and contracts</li> <li>4. Interview with management and workers</li> </ol>		



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

### Data points

#### Labour hire

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

#### Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	70%
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	The migrant workers come from Anhui, Guangxi, Guizhou, Hainan, Henan, Hubei, Hunan, Sichuan and Yunnan province.

---

## 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
---	----

Workers did not pay recruitment fee at any stage of the recruitment process.

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

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. There was one worker representative freely elected by workers and meeting was conducted regularly. The election date was on 15 March 2024, the latest meeting was conducted on 27 September 2024 with the theme was about Health, Safety, Wage, Benefit and etc. The meeting records were provided for review.</p> <p>2. The workers could rise up their opinion through worker representative, suggestion box or communicate with their supervisor directly.</p> <p>3. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.</p> <p>4. There was no union in the facility.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section			<p>1. Site policy on freedom of association</p> <p>2. Election &amp; meeting records</p> <p>3. Interviewed with workers/representatives</p> <p>4. Interviewed with management</p>





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

### Data points

Are trade unions allowed by law in the national context? No

Are there any registered trade unions in the workplace? No

Are they active?

Does the employer recognise the trade union? Not Applicable

Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? Yes

Are the worker representatives freely elected by the workforce as a whole? Yes

Does union/worker committee membership reflect the gender composition of the workforce? Yes

Does the membership reflect the nationality composition of the workforce? Yes

Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? No

### 3. Working conditions are safe and hygienic

#### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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	Fundamental Improvements Required
Explanation for management systems grades	<p>1. General Health and Safety management.</p> <ul style="list-style-type: none"> <li>- Ms. Lin / Administration was appointed as Health &amp; Safety Manager for the site.</li> <li>- Potable water was freely available in all areas.</li> <li>- Sufficient clean toilets segregated by gender were always available to workers.</li> <li>- Ventilation, temperature and lighting were adequate for the production processes.</li> <li>- Minutes of meetings show that there are quarterly meetings between the H&amp;S committee (workers) and the H&amp;S manager, and each point is acted on.</li> </ul> <p>2. Fire Safety</p> <ul style="list-style-type: none"> <li>- There were at least 2 exits from each work area and were clearly marked.</li> <li>- Firefighting equipment was adequate and checks were up-to-date.</li> <li>- Evacuation plans were posted in all areas and understood by all workers interviewed.</li> <li>- Fire drill was organized and recorded twice per year, the last fire drill was conducted on 30 April 2024.</li> </ul> <p>3. Electrical and machine safety</p> <ul style="list-style-type: none"> <li>- All of electrical equipment were maintained in good condition such as sockets, plugs, switches and main fuse boards.</li> <li>- There was one competent electrician at the site and his training certificate was available for review.</li> </ul> <p>4. Medical services</p> <ul style="list-style-type: none"> <li>- There were adequate first aid kits in each production area and they were well stocked.</li> <li>- There was one trained first aider; he confirmed his had been trained at Local Red Cross.</li> </ul> <p>5. Chemical Safety</p> <ul style="list-style-type: none"> <li>- Employees handling chemicals were trained on appropriate procedures as well as what to do in an emergency.</li> </ul>

#### Summary of findings

Code area	Workplace requirement	Local law	Finding
-----------	-----------------------	-----------	---------

<b>3. Working conditions are safe and hygienic</b>	3.O Implement an appropriate electrical safet...	§1	NC	██████████
	3.R Provide clean and secure toilets, wash ar...	§2	NC	██████████
	3.M Ensure all machinery is installed, mainta...	§3	NC	██████████
	3.O Implement an appropriate electrical safet...	§4	NC	██████████
	3.N Maintain a log of all hazardous substance...	§5	NC	██████████
	3.N Maintain a log of all hazardous substance...	§6	NC	██████████
	3.N Maintain a log of all hazardous substance...	§7	NC	██████████
	3.H Where identified as necessary to reduce r...	§8	NC	██████████

Systems and evidence examined to validate this code section

1. Health and safety policy
2. Emergency procedure
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Accident reports
7. Interviews with H&S manager
8. Interviews with workers and H&S committee members

# Findings: non-compliances

Non-compliance

Due 2023-10-14

## Code area

3 Working conditions are safe and hygienic

## Status

Open\*

## Workplace requirement

3.0 Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

## Time given to resolve

30 days

## Issue title

227 - Unmarked/incorrect labels/signage/instructions for electrics

## Verification method

Desktop audit

## Description

No warning sign on partial electrical switches During facility tour, it was noted that 3 electrical switches without warning sign to alert electric shock.

部分电气开关上没有警告标志。现场走访时，发现3个电气开关没有触电警告标志。

## Area of non-compliance/non-conformance

Local law

## Description (carried over)

No warning sign on partial electrical switches During facility tour, it was noted that 2 electrical switches no warning sign to alert electric shock. 局部电气开关上没有警告标志。现场走访时，发现2个电气开关没有触电警告标志。

## Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.

## Corrective and preventative actions (carried over)

It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.

## Local law reference

In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.

## Evidence



[no warning sign \(2\).JPG](#)



[no warning sign \(1\).JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

**Due 2023-10-14**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

30 days

**Verification method**

Desktop audit

**Issue title**

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

**Area of non-compliance/non-conformance**

Local law

**Description**

During facility tour, it was noted that the raw materials and finished products in the warehouse were put against the wall directly.  
货物靠墙。

**Description (carried over)**

Gap between finished products stacks and walls was 0.1 meters. It was noted that the gap between finished products stacks and walls was 0.1 meters in the warehouse, which was less than the legal requirement of 0.5 meters. 仓库成品堆放与墙的间距为0.1米 注意到仓库成品堆放与墙的间距为0.1米，小于法定0.5米的要求。

**Corrective and preventative actions**

It is recommended that management adopt practices and a control to ensure that the products piled should be more than 0.5 meters from the wall.

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that the width of gap between finished products stacks and walls are in accordance with the legal requirement.

**Local law reference**

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.

**Explanation of difference in resolution time or verification method from the SMETA issue title recommendation**

According to the SMETA 7.0 Issue Titles list, the Recommended Completion time should be 60 days.

**Evidence**





[No gap between the wall and products \(2\).JPG](#)



[No gap between the wall and products \(1\).JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2023-10-14

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

30 days

**Issue title**

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

**Verification method**

Desktop audit

**Description**

Machines without protective devices. During the factory tour, it was found that three sewing machines were not equipped with needle guards. 机器无防护装置 在参观工厂时，注意到3台针车没有针挡。

**Area of non-compliance/non-conformance**

Local law

**Description (carried over)**

Machines without protective devices. During facility tour, it was noted that 2 out of 8 sewing machines were not equipped with needle guard. 机器无防护装置 在参观工厂时，注意到8台缝纫机中有2台没有配备护针器。

**Corrective and preventative actions**

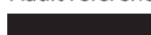
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.

**Corrective and preventative actions (carried over)**

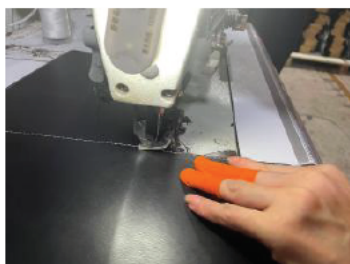
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.

**Local law reference**

In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.



**Evidence**



[sewing machine without needle guard.JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-12-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.0 Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

**Time given to resolve**

60 days

**Issue title**

224 - Isolated occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs

**Verification method**

Desktop audit

**Description**

Electrical switch was exposed without insulation. During factory tour, it was noted that 3 electrical switches were not installed with insulation covers.  
3个电箱没有外盖。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that the factory kept the all electrical devices were installed with insulation board.

**Corrective and preventative actions (carried over)**

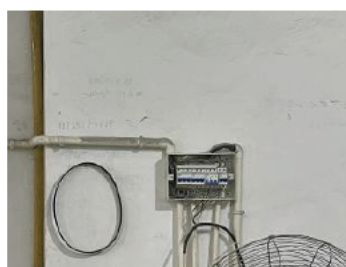
It is recommended that management adopt practices and controls to ensure that the factory kept the all electrical devices were installed with insulation board.



**Local law reference**

In accordance with Article 2.2 of National Safety Technical Code for Electric Equipments (GB 19517- 2009) 2.2 Preventive measure against the hazard of electric shock Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy. 2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on. 2.2.3 To prevent accidental contract with live parts, electrical equipment structure and/or housing can be used, or the device can be placed in aclosed electrical work field. The parts used to prevent direct contact are only allowed to be removed or opened by means of tools....

**Evidence**



[No insulation cover installed \(3\).JPG](#)

[No insulation cover installed \(2\).JPG](#)

[No insulation cover installed \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

**Due 2024-12-13**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

**Time given to resolve**

60 days

**Issue title**

230 - No material safety data sheet (MSDS) obtained/available

**Verification method**

Desktop audit

**Description**

MSDS were not available for hazardous chemicals. During facility tour, auditor found that the facility used printing ink, glue at workshops. However, no MSDS (Material Safety Data Sheet) was provided in these areas.  
车间没有粘贴化学品MSDS。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.



**Corrective and preventative actions (carried over)**

It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.

**Local law reference**

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

	<b>Non-compliance</b>	<b>Due 2024-11-13</b>
<b>Code area</b> 3 Working conditions are safe and hygienic	<b>Status</b> Open*	
<b>Workplace requirement</b> 3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.	<b>Time given to resolve</b> 30 days	
<b>Issue title</b> 233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect	<b>Verification method</b> Desktop audit	
<b>Description</b> During the facility observation, there was no safety label for chemical at workshops. 车间的化学品没有粘贴安全标签。	<b>Area of non-compliance/non-conformance</b> Local law Base code	
<b>Corrective and preventative actions</b> It is recommended that safety labels should be attached for all chemicals for identification.		
<b>Corrective and preventative actions (carried over)</b> It is recommended that safety labels should be attached for all hazardous chemicals for identification.		
<b>Local law reference</b> In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.		
<b>Evidence</b>		



[No safety label for chemical.JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-11-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

**Time given to resolve**

30 days

**Issue title**

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

**Verification method**

Desktop audit

**Description**

As per the onsite tour, it was noted that there was no secondary contain for chemical such as printing ink, glue and etc..

根据现场观察，化学品（油墨，胶水等）没有二次容器。

**Area of non-compliance/non-conformance**

Local law

Base code

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that the secondary container is used for the chemical material.

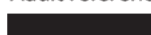
**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that the secondary container is used for the chemical material.

**Local law reference**

In accordance with Article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.

**Evidence**





[No secondary container for chemical \(3\).JPG](#)



[No secondary container for chemical \(2\).JPG](#)



[No secondary container for chemical \(1\).JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-11-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**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).

**Time given to resolve**

30 days

**Issue title**

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

**Verification method**

Desktop audit

**Description**

During the facility observation, it was found that about 10% of the workers in the high-noise workshop, such as book binders and folding workers, were not wearing the earplugs provided by the facility.

**Area of non-compliance/non-conformance**

Local law  
Base code

走访发现，在高噪声车间工作的约10%员工没有佩戴工厂佩戴的耳塞，如装订工人，折页工人。

**Corrective and preventative actions**

It is recommended that factory should provide PPE for workers who contacted with high noise, and supervise employees to wear them correctly.

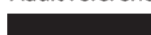
**Corrective and preventative actions (carried over)**

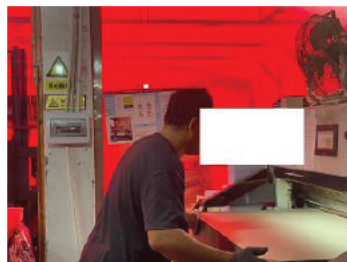
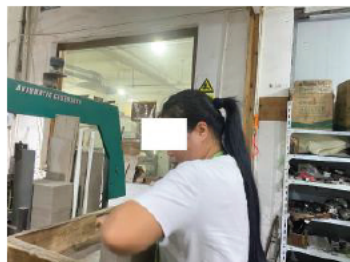
It is recommended that factory should provide PPE for workers who contacted with hazardous material, and supervise employees to wear them correctly.

**Local law reference**

In accordance with Article 37 of Law of the People's Republic of China on Production Safety, an employer shall provide employees with occupational health and safety conditions and necessary personal protective equipment conforming to the state stipulations and shall monitor and educate employees on how to wear and use such personal protective equipment according to use instruction.

**Evidence**





[Not wear PPE \(3\).JPG](#)



[Not wear PPE \(2\).JPG](#)



[Not wear PPE \(1\).JPG](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, other (please explain)  ██████ / Administration was appointed as health and safety manager for the site.
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  The workers could handle or have access to hazardous substance such as printing link, glue and etc.
Who organises accommodation for workers?	Not applicable
Who organises worker transportation between accommodation and worksite?	Not applicable
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Yes  The factory had provided certificate of inspection for completed building construction and registration records.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

## 4. Child labour shall not be used

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. The factory established policy and procedure on prohibiting child labour.</p> <p>2. Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages.</p> <p>3. Based on documents review, the factory kept most of valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour or young worker was identified in the factory. The youngest worker was 21 years old.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<p>1.Factory tour</p> <p>2.Lastest list of employees</p> <p>3.Related recruitment policy</p> <p>4.Personnel files of all workers</p> <p>5.Workers/Management interview</p>		

4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	6%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	21
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1.The current prevailing local legal minimum wage was at RMB2010 per month(RMB11.55 per hour) effective from Jan 1, 2024; the previous local legal minimum wage was RMB1840 per month (10.57 per hour) since from Aug 1, 2021 to Dec 31, 2023. The minimum wage paid by the facility was RMB 3400 per month.</p> <p>2.All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>3.The factory management compensated all workers at a legal mandated rate for their overtime hours, respectively 150%, 200% and 300% of regular pay for overtime work on working days, rest days and statutory holidays.</p> <p>4.As per the payroll records from September 2023 to August 2024, all workers' wages were calculated by monthly rate.</p> <p>5.All workers were paid on or before 30th of following month by bank transfer.</p> <p>6.Based on the document review, the factory provided the social insurances to part employees in the factory. All social insurance payments were passed on to the relevant authorities in a timely manner.</p> <p>7.Benefits of annual leave, sick leave, wedding leave was given to all workers and child-bearing leave to appropriate workers.</p> <p>8.No deductions from wages as a disciplinary measure was found during the audit based on document review and worker interviews.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC <span style="background-color: black; color: black;">[REDACTED]</span>



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

1. Wages and benefits policy and procedure
  2. Local and national laws
  3. Local legal min wage documents
  4. Overtime premiums records
  5. Labour contracts for all workers
  6. Resignation records
  7. Production records
  8. Social security insurance payment receipts
  9. Worker interview and management interview
-

# Findings: non-compliances

Non-compliance

Due 2023-11-13

**Code area**

5 Legal wages are paid

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Issue title**

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

**Verification method**

Follow up audit

**Description**

Insufficient social insurance coverage. During the audit, there were total 48 employees including 5 retired employees and one new hired employee in the factory. According to the social insurance payment receipt of August 2024, the factory provided the unemployment insurance and pension insurance to 13 out of 42 eligible employees(31%), provided medical insurance and maternity to 11 out of 42 eligible employees (26%), and provided injury insurance to 22 out of 42 eligible employees(52%). In additional, the factory provided the Commercial accident insurance to 30 employees, and the valid until June 24, 2025.

**Area of non-compliance/non-conformance**

Local law

社保购买不足。工厂共有48名员工包括5名退休工人和1名新进员工。根据2024年8月份的社保缴费记录，工厂为符合要求的42名员工中的13名员工提供了养老和失业保险，为11名员工提供了医疗和生育保险，为22名员工提供了工伤保险。另外工厂为30名员工购买了商业险，有效期至2025年6月24日。

**Description (carried over)**

Insufficient social insurance participated. Less than 90% of eligible employees had participated 5 types of social insurance. According to the social insurance payment receipt provided by factory management in August 2023, there were 45 employees in the factory, excluding 2 new employees and 2 retired employees, there were only 11 out of 41 eligible employees(27%) had participated in medical insurance and maternity insurance,12 out of 41 eligible employees had participated in basic retirement insurance, unemployment insurance,22 out of 41 eligible employees had participated in disability caused by work-related injury insurance. Remark: The factory had bought the commercial injury insurances to 28 employees. Commercial accident insurance provided by "中国人寿保险股份有限公司" 社会保险参保不足。符合参保条件的员工参加社保的比例低于90%。根据提供的2023年8月份社保收据，企业的45名员工中，除去2名新员工及2名退休员工，41名应参保员工中有11人（27%）参加了医疗保险和生育保险，12人参加了养老、失业保险，22人参加了工伤保险。备注：工厂为28名员工购买了商业意外伤害保险。

**Corrective and preventative actions**

It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

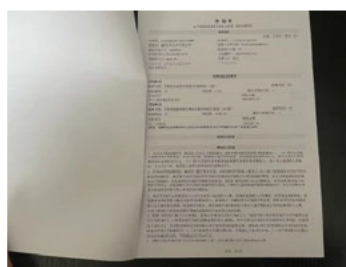
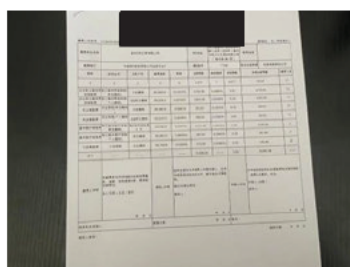
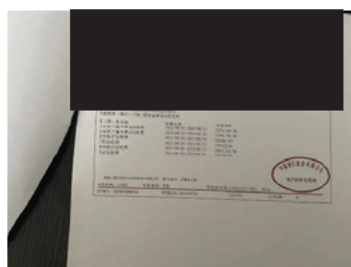
**Corrective and preventative actions (carried over)**

It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

### Local law reference

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

### Evidence



[social insurance \(2\).jpg](#)

[social insurance \(1\).jpg](#)

[commercial insurance.jpg](#)



\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	<p>Wages meet a living wage  Wages are based on job skills and experience  The legal minimum wage  Other (provide details)</p> <p>1.The current prevailing local legal minimum wage was at RMB 2010 per month(RMB11.55 per hour) effective from Jan 1, 2024; the previous local legal minimum wage was RMB 1840 per month (10.57 per hour) since from Aug 1, 2021 to Dec 31, 2023. The minimum wage paid by the facility was RMB 3400 per month.</p>
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?	I don't know

### Worker remuneration

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

### Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Not available	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable

Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	14.0
	Max hours per month	58.0
Minimum legal wage	Min per hour	11.55
	Min per day	92.41
	Min per week	462.07
	Min per month	2010.0
Actual minimum wage	Actual per hour	19.54
	Actual per day	156.32
	Actual per week	781.61
	Actual per month	3400.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	0.0
	Actual per day	0.0
	Actual per week	175.86
	Actual per month	1954.02

## Wage analysis

Number of workers' records checked	10
Provide the date and details of the records	10 samples from August 2024(Current); 10 samples from June 2024(Random); 10 samples from December 2023(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% of workforces earning above minimum wage.
Are there any bonus schemes used?	No
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

## 5.A. Living wages are paid

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	1.Wages and benefits policy and procedure 2.Local and national laws 3.Local legal min wage documents 4.Overtime premiums records 5.Labour contracts for all workers 6.Resignation records 7.Production records 8.Social security insurance payment receipts 9.Worker interview and management interview		

## 6. Working hours are not excessive

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1.Factory established the policy and procedures regarding working hours. The normal working hours were 8 hours per day and 40 hours per week, and overtime works when production needed. Through employees' interview, overtime was voluntary.</p> <p>2.The factory provided attendance records from September 01, 2023 to the audit day.</p> <p>3.The facility used the electronic attendance machine to record the working hours.</p> <p>4.All workers worked in one shift from 07:30 to 17:30 with 2 hours for lunch break time from 11:30 to 13:30, the OT hours were 2 hours per day from 18:30 to 20:30 if necessary and workers often worked 8 hours' overtime on Saturdays.</p> <p>5.The exemplified employees had at least one day off in every 7 days.</p> <p>6. The total weekly working was not exceeded 60 hours (max 54 hrs/week in sample).</p> <p>7.The workers overtime working hours were exceed the legal requirement 36 hours, the maximum monthly overtime working hours were 58 hours in June 2024.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC <span style="background-color: black; color: black;">[REDACTED]</span>
Systems and evidence examined to validate this code section	<p>1.Factory policy and procedures on working hours</p> <p>2.local and national law</p> <p>3.Time records provided by the factory</p> <p>4.Sampled employees' wage records and payment slips with recorded working hours</p> <p>5.Employee/ management interview</p> <p>6.Quality and other records for crosschecking</p>		





# Findings: non-compliances



Non-compliance

Due 2023-11-13

## Code area

6 Working hours are not excessive

## Status

Open\*

## Workplace requirement

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

## Time given to resolve

60 days

## Issue title

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

## Verification method

Follow up audit

## Description

Overtime hours exceeded the legal requirement of 36 hours per month. As per the time records from September 2023 to audit day, it was found that 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 56 hours in August 2024(current month); 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 58 hours in June 2024(random month); 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 56 hours in December 2023(random month); 所有抽样员工的月加班均超36小时。根据2023年9月至审核日的考勤记录，2024年8月月加班达到56小时，2024年6月月加班达到58小时，2023年12月月加班达到56小时。

## Area of non-compliance/non-conformance

Local law

## Description (carried over)

Monthly overtime hours exceeded the legal limits (36 hours per month). During document review, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for July 2023, December 2022 and September 2022 yielded the following: (1) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 62 hours) in July 2023. (2) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 66 hours) in December 2022. (3) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 48 hours) in September 2022. 每月加班时间超过法规要求（每月36小时）。审核发现，抽样的员工加班时间超过了法定标准，抽样2023年7月、2022年12月和2022年9月的出勤发现：（1）10/10名抽样员工的2023年7月加班时间超过36小时（最高为62小时）（2）10/10名抽样员工的2022年12月加班时间超过36小时（最高为66小时）（3）10/10名抽样员工的2022年9月加班时间超过36小时（最高为48小时）

## Corrective and preventative actions

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

## Corrective and preventative actions (carried over)

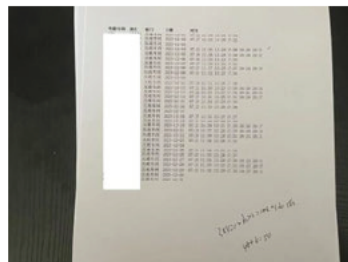
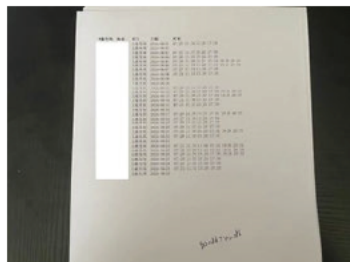
It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

## Local law reference

In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

## Evidence





[monthly overtime exceed  
36H-3.jpg](#)



[monthly overtime exceed  
36H-2.jpg](#)



[monthly overtime exceed  
36H.jpg](#)



\* PDF generated at 05:22 on 14 Oct 2024. [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?	At least 150% of normal wage were paid for overtime.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	52.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

## 7. No discrimination is practiced

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. As informed by workers/management interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.</li> <li>2. No worker was required to do the examination of the hepatitis B virus and HIV.</li> <li>3. There was no discrimination on hiring, compensation, promotion and access to training.</li> <li>4. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.</li> <li>5. There was an internal grievance process, all the interviewees were aware of the grievance channels in case they encountered any discrimination cases.</li> <li>6. No sexual harassment/no discrimination was found during the audit.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1.The hiring and termination procedure, leave application records and employee handbook.</li> <li>2.Payroll records</li> <li>3.Attendance records</li> <li>4.Termination records</li> <li>5.Training records</li> </ol>		



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)?	0%
Representation of women in managerial roles (ratio of women workers to women managers)	0%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	0%
Three most common nationalities in managerial and supervisory roles	Chinese

## 8. Regular employment is provided

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.</li> <li>2. All interviewed workers had received a signed labour contract.</li> <li>3. Workers' personal files were provided for review.</li> <li>4. No homework was arranged; no apprenticeship schemes were practiced in this factory.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1.The hiring and termination procedure.</li> <li>2. Personal files</li> <li>3.Payroll records were provided for review</li> <li>4.Labour contracts</li> </ol>		



8. Regular employment is provided

## Data points

Percentage of workers that are permanently or temporarily employed 100.0%

Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment 0.0%

Percentage of workers employed as apprentices, trainees or interns 0.0%

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

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. There was a policy in place to manage sub-contracting, home working and external processing.</li> <li>2. There was no sub-contractor used by the factory.</li> <li>3. There was no home worker used by the factory.</li> <li>4. The factory produced all the products by themselves.</li> <li>5. The factory had established a list of approval suppliers. The factory assessed its suppliers and subcontractor on social accountability, QMS, and relevant assessment records were available.</li> <li>6. If the client's products need subcontractor, the factory would inform the main clients.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1. Site tour</li> <li>2. Materials in/out records</li> <li>3. Management interview</li> <li>4. Worker interview</li> <li>5. Supplier assessment records</li> </ol>		

## 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? Information not available  
N/A

#### Sub-contracting

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

Are any sub-contractors used? No

## 9. No harsh or inhumane treatment is allowed

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1.The factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.</p> <p>2.The factory had established a policy on No Harsh Treatment, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory.</p> <p>3.There is an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.</p> <p>4.The workers interviewed said they were never witnessed any cases of physical abuse or discipline, sexual or other harassment and verbal abuse or other forms of intimidation existed in this factory.</p> <p>5.No evidence of harsh or inhumane treatment was found in factory rules.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section			<p>1.The relevant policy on prevention of harassment and abuse.</p> <p>2.Internal grievance procedure documentation</p> <p>3.Training records</p> <p>4.Worker interview and management interview</p>



9. No harsh or inhumane treatment is allowed

## Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p> <p>The grievance process is available to members of the local community</p>
What type of grievance mechanism(s) are available?	One suggestion box sited in the factory, workers could report any grievance (harassment, bullying, discrimination etc.) and any received complaint would be handled by managers, without any reprisal for the worker in question.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. The factory had established environment policy and relevant procedure. The factory had carried out environment management system.</li> <li>2. Environment emergency action procedures, such as action procedure for chemicals spill was available.</li> <li>3. The factory had written an Environmental Impact Assessment Report and obtained approval from local EPB, and the factory learned about the environment impact of their site and took continuously management measures to control the environment impact.</li> <li>4. The factory had obtained the regular environment impact monitoring reports. Waste water, noise and exhaust gas were tested. No negative evidence was identified during audit.</li> <li>5. Hazardous waste was collected and segregated. The factory had transferred all hazardous wastes to licensed vendor with relevant qualification.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings
Systems and evidence examined to validate this code section			<ol style="list-style-type: none"> <li>1. Environmental policy and procedure</li> <li>2. Environmental Impact Assessment Report and approval from local EPB</li> <li>3. Environment impact monitoring report</li> <li>4. Hazardous wastes records and dangerous chemical waste handling contract with licensed vendor, transport records</li> <li>5. Management and workers' interview</li> <li>6. Factory tour</li> </ol>





10.A. Environment 2-Pillar

## Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	N/A
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	Yes Forest Stewardship Council (FSC) NO.: TSUD-COC-██████████ Valid from 02 June 2023 to 01 June 2028.
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	Yes The factory installed fans for workers in the workshop.

## 10.B. Environment 4-Pillar

### Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1. Environmental policy and procedure</li> <li>2. Environmental Impact Assessment Report and approval from local EPB</li> <li>3. Environment impact monitoring report</li> <li>4. Hazardous wastes records and dangerous chemical waste handling contract with licensed vendor, transport records</li> <li>5. Management and workers' interview</li> <li>6. Factory tour</li> </ol>		

## 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?	Sustainable material sourcing Responsible use and management of water Packaging optimization Prioritising local suppliers Circular economy and resource efficiency Switching to renewable energy sources
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes Factory had established the written environmental manual and a series of procedures.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 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 Reduction targets were established to reduce costs.
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?	Yes The factory conducted a system to monitoring Sub-Contracting agencies or business partners about environmental performance of the facility.

### Usage/discharge analysis

	Last full calendar year (2023)	Previous full calendar year (2022)
Total electricity consumption from non-renewable sources (kWh)	447,900	455,700
Total electricity consumption from renewable sources (kWh)	0	0

Sources of renewable energy used	Data not available	Data not available
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Data not available	Data not available
Has the site completed any carbon footprint analysis?	No	No
Water sources	Municipal water supply	Municipal water supply
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	20,182	21,068
Water discharged	Municipal sewer system	Municipal sewer system
Water volume discharged (m3)	18,163.8	18,961.2
Water volume recycled (m3)	0	0
Total waste produced (mt)	1.2	1.2
Total hazardous waste produced (mt)	0.2	0.2
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0.6	0.6
Waste to other (mt)	0.4	0.4
Total product produced (mt)	900	900

## 10.C. Business ethics

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1.The factory established the documented Business Ethics policy concerning bribery, corruption, or unethical Business Practice, which was clearly communicated to all relevant parties, including their suppliers.</li> <li>2.The suggestion box was used for confidentially reporting ethical issues. And the raised issues would be investigated and resolved.</li> <li>3.Relevant training was provided to employees.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<ol style="list-style-type: none"> <li>1. The company business ethics policy including: bribery, corruption</li> <li>2. Ethics training records</li> <li>3. Worker handbook &amp; Social accountability policy</li> </ol>		

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	N/A
--	-----

## Attachments



[Ltd\\_Periodic\\_October\\_08,  
2024\\_Photos\(4P\).pdf](#)

[Ltd\\_Periodic\\_Oct\\_8,  
2024\\_Signed\\_CAPR\(4P\).pdf](#)



For more information visit <https://www.sedex.com>



# SMETA Corrective Action Plan Report (CAPR)

Version 7



# Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Findings](#)

[Summary of findings](#)

[Non-compliances](#)

[Good examples](#)

[Management systems](#)

[Guidance](#)

## Audit content

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

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

### Included in a 2-Pillar audit:

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

### Included in a 4-Pillar audit:

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

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

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

# Audit and site details

## Audit details

Sedex company reference	[REDACTED]	Auditor company name	Benchmarks Company Limited
Date of audit	2024-10-08	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference	[REDACTED]	Site name	[REDACTED] Co Ltd
Business name	[REDACTED] Co Ltd	Site address	[REDACTED] CN
Site phone	[REDACTED]	Site email	[REDACTED]

## Audit parameters

Time in and out	Day 1
In	09:00
Out	17:00

Audit type	Periodic
------------	----------

Was the audit announced?	Semi announced
--------------------------	----------------

Was the Sedex SAQ available for review?	Yes
---	-----

Who signed and agreed CAPR?	Ms. [REDACTED] / Administration 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 union in the factory.		
Reason for absence during the audit	There was no union in the factory.		
Reason for absence at the closing meeting	There was no union in the factory.		

# SMETA declaration

## Auditor team

<b>SMETA declaration</b>	<p>I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.</p> <ol style="list-style-type: none"> <li>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.</li> <li>Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.</li> </ol> <p>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.</p>		
<b>Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)</b>	Nil		
<b>Lead auditor</b>	Becky Liu	<b>APSCA Number</b>	21705427
<b>Additional auditor</b>	Jagger Lai	<b>APSCA Number</b>	32400337
<b>Date of declaration</b>	2024-10-08		



## 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	Ms. [REDACTED]
Title	Administration Manager
Date of declaration	2024-10-08

## Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC [REDACTED]
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§2	NC [REDACTED]
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safet...	§3	NC [REDACTED]
	3.R Provide clean and secure toilets, wash ar...	§4	NC [REDACTED]
	3.M Ensure all machinery is installed, mainta...	§5	NC [REDACTED]
	3.O Implement an appropriate electrical safet...	§6	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§7	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§8	NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§9	NC [REDACTED]
	3.H Where identified as necessary to reduce r...	§10	NC [REDACTED]

## Local law issues

§1	In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.
§2	In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.
§3	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.
§4	In accordance with Article 2.2 of National Safety Technical Code for Electric Equipments (GB 19517- 2009) 2.2 Preventive measure against the hazard of electric shock Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy. 2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on. 2.2.3 To prevent accidental contract with live parts, electrical equipment structure and/or housing can be used, or the device can be placed in aclosed electrical work field. The parts used to prevent direct contact are only allowed to be removed or opened by means of tools....
§5	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
§6	In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
§7	In accordance with Article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.
§8	In accordance with Article 37 of Law of the People's Republic of China on Production Safety, an employer shall provide employees with occupational health and safety conditions and necessary personal protective equipment conforming to the state stipulations and shall monitor and educate employees on how to wear and use such personal protective equipment according to use instruction.

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

§10 In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

# Findings: non-compliances



Non-compliance

Due 2023-11-13

**Code area**

6 Working hours are not excessive

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Issue title**

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

**Verification method**

Follow up audit

**Description**

Overtime hours exceeded the legal requirement of 36 hours per month. As per the time records from September 2023 to audit day, it was found that 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 56 hours in August 2024(current month); 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 58 hours in June 2024(random month); 10 out of 10 sample workers worked monthly overtime exceeded 36 hours up to 56 hours in December 2023(random month); 所有抽样员工的月加班均超36小时。根据2023年9月至审核日的考勤记录，2024年8月月加班达到56小时，2024年6月月加班达到58小时，2023年12月月加班达到56小时。

**Area of non-compliance/non-conformance**

Local law

**Description (carried over)**

Monthly overtime hours exceeded the legal limits (36 hours per month). During document review, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for July 2023, December 2022 and September 2022 yielded the following: (1) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 62 hours) in July 2023. (2) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 66 hours) in December 2022. (3) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 48 hours) in September 2022. 每月加班时间超过法规要求（每月36小时）。审核发现，抽样的员工加班时间超过了法定标准，抽样2023年7月、2022年12月和2022年9月的出勤发现：（1）10/10名抽样员工的2023年7月加班时间超过36小时（最高为62小时）（2）10/10名抽样员工的2022年12月加班时间超过36小时（最高为66小时）（3）10/10名抽样员工的2022年9月加班时间超过36小时（最高为48小时）

**Corrective and preventative actions**

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

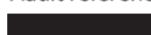
**Corrective and preventative actions (carried over)**

It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.

**Local law reference**

In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.

**Evidence**



[monthly overtime exceed 36H-3.jpg](#)  
[monthly overtime exceed 36H-2.jpg](#)  
[monthly overtime exceed 36H.jpg](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2023-11-13

**Code area**

5 Legal wages are paid

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Issue title**

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

**Verification method**

Follow up audit

**Description**

Insufficient social insurance coverage. During the audit, there were total 48 employees including 5 retired employees and one new hired employee in the factory. According to the social insurance payment receipt of August 2024, the factory provided the unemployment insurance and pension insurance to 13 out of 42 eligible employees(31%), provided medical insurance and maternity to 11 out of 42 eligible employees (26%), and provided injury insurance to 22 out of 42 eligible employees(52%). In additional, the factory provided the Commercial accident insurance to 30 employees, and the valid until June 24, 2025.

**Area of non-compliance/non-conformance**

Local law

社保购买不足。工厂共有48名员工包括5名退休工人和1名新进员工。根据2024年8月份的社保缴费记录，工厂为符合要求的42名员工中的13名员工提供了养老和失业保险，为11名员工提供了医疗和生育保险，为22名员工提供了工伤保险。另外工厂为30名员工购买了商业险，有效期至2025年6月24日。

**Description (carried over)**

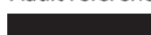
Insufficient social insurance participated. Less than 90% of eligible employees had participated 5 types of social insurance. According to the social insurance payment receipt provided by factory management in August 2023, there were 45 employees in the factory, excluding 2 new employees and 2 retired employees, there were only 11 out of 41 eligible employees(27%) had participated in medical insurance and maternity insurance, 12 out of 41 eligible employees had participated in basic retirement insurance, unemployment insurance, 22 out of 41 eligible employees had participated in disability caused by work-related injury insurance. Remark: The factory had bought the commercial injury insurances to 28 employees. Commercial accident insurance provided by "中国人寿保险股份有限公司" 社会保险参保不足。符合参保条件的员工参加社保的比例低于90%。根据提供的2023年8月份社保收据，企业的45名员工中，除去2名新员工及2名退休员工，41名应参保员工中有11人（27%）参加了医疗保险和生育保险，12人参加了养老、失业保险，22人参加了工伤保险。备注：工厂为28名员工购买了商业意外伤害保险。

**Corrective and preventative actions**

It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.

**Corrective and preventative actions (carried over)**

It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.



**Local law reference**

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

**Evidence**

- [social insurance \(2\).jpg](#)
- [social insurance \(1\).jpg](#)
- [commercial insurance.jpg](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

	<b>Non-compliance</b>	<b>Due 2023-10-14</b>
<b>Code area</b>		<b>Status</b>
3 Working conditions are safe and hygienic		Open*
<b>Workplace requirement</b>		<b>Time given to resolve</b>
3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.		30 days
<b>Issue title</b>		<b>Verification method</b>
227 - Unmarked/incorrect labels/signage/instructions for electrics		Desktop audit
<b>Description</b>		<b>Area of non-compliance/non-conformance</b>
No warning sign on partial electrical switches During facility tour, it was noted that 3 electrical switches without warning sign to alert electric shock. 部分电气开关上没有警告标志。现场走访时，发现3个电气开关没有触电警告标志。		Local law
<b>Description (carried over)</b>		
No warning sign on partial electrical switches During facility tour, it was noted that 2 electrical switches no warning sign to alert electric shock. 局部电气开关上没有警告标志。现场走访时，发现2个电气开关没有触电警告标志。		
<b>Corrective and preventative actions</b>		
It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.		
<b>Corrective and preventative actions (carried over)</b>		
It is recommended that management adopt practices and controls to ensure that all electricity boxes in the factory are marked with appropriate warning signs to avoid electric shock.		

**Local law reference**

In accordance with Article 2-7 of warning sign in the Guidelines for safety signs and usage GB 2894-2008, the electric shock warning sign should be marked on electricity devices and circuit where electric shock may happen.

**Evidence**

[no warning sign \(2\).JPG](#)

[no warning sign \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

**Due 2023-10-14**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

30 days

**Verification method**

Desktop audit

**Issue title**

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

**Area of non-compliance/non-conformance**

Local law

**Description**

During facility tour, it was noted that the raw materials and finished products in the warehouse were put against the wall directly.  
货物靠墙。

**Description (carried over)**

Gap between finished products stacks and walls was 0.1 meters. It was noted that the gap between finished products stacks and walls was 0.1 meters in the warehouse, which was less than the legal requirement of 0.5 meters. 仓库成品堆放与墙的间距为0.1米 注意到仓库成品堆放与墙的间距为0.1米, 小于法定0.5米的要求。

**Corrective and preventative actions**

It is recommended that management adopt practices and a control to ensure that the products piled should be more than 0.5 meters from the wall.

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that the width of gap between finished products stacks and walls are in accordance with the legal requirement.

**Local law reference**

In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meters between stacks and the wall; Space shall be at least 0.3 meters between stacks and beams or posts. The width of main passages shall be at least 2 meters.



**Explanation of difference in resolution time or verification method from the SMETA issue title recommendation**

According to the SMETA 7.0 Issue Titles list, the Recommended Completion time should be 60 days.

**Evidence**

[No gap between the wall and products \(2\).JPG](#)

[No gap between the wall and products \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

[Redacted]	<b>Non-compliance</b>	Due 2023-10-14
<b>Code area</b>	<b>Status</b>	
3 Working conditions are safe and hygienic	Open*	
<b>Workplace requirement</b>	<b>Time given to resolve</b>	
3.M Ensure all machinery is installed, maintained, and used in a safe manner.	30 days	
<b>Issue title</b>	<b>Verification method</b>	
264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)	Desktop audit	
<b>Description</b>	<b>Area of non-compliance/non-conformance</b>	
Machines without protective devices. During the factory tour, it was found that three sewing machines were not equipped with needle guards. 机器无防护装置 在参观工厂时，注意到3台针车没有针挡。	Local law	
<b>Description (carried over)</b>		
Machines without protective devices. During facility tour, it was noted that 2 out of 8 sewing machines were not equipped with needle guard. 机器无防护装置 在参观工厂时，注意到8台缝纫机中有2台没有配备护针器。		
<b>Corrective and preventative actions</b>		
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.		
<b>Corrective and preventative actions (carried over)</b>		
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.		
<b>Local law reference</b>		
In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.		
<b>Evidence</b>		
<a href="#">sewing machine without needle guard.JPG</a>		

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-12-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.0 Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

**Time given to resolve**

60 days

**Issue title**

224 - Isolated occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs

**Verification method**

Desktop audit

**Description**

Electrical switch was exposed without insulation. During factory tour, it was noted that 3 electrical switches were not installed with insulation covers.  
3个电箱没有外盖。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that the factory kept the all electrical devices were installed with insulation board.

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that the factory kept the all electrical devices were installed with insulation board.

**Local law reference**

In accordance with Article 2.2 of National Safety Technical Code for Electric Equipments (GB 19517- 2009) 2.2 Preventive measure against the hazard of electric shock Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy. 2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on. 2.2.3 To prevent accidental contract with live parts, electrical equipment structure and/or housing can be used, or the device can be placed in aclosed electrical work field. The parts used to prevent direct contact are only allowed to be removed or opened by means of tools....

**Evidence**

[No insulation cover installed \(3\).JPG](#)

[No insulation cover installed \(2\).JPG](#)

[No insulation cover installed \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-12-13

**Code area**

3 Working conditions are safe and hygienic

**Workplace requirement**

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

**Issue title**

230 - No material safety data sheet (MSDS) obtained/available

**Description**

MSDS were not available for hazardous chemicals. During facility tour, auditor found that the facility used printing ink, glue at workshops. However, no MSDS (Material Safety Data Sheet) was provided in these areas.  
车间没有粘贴化学品MSDS。

**Corrective and preventative actions**

It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.

**Corrective and preventative actions (carried over)**

It is recommended that the facility should ensure MSDS is available for hazardous chemical in the workplace.

**Local law reference**

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-11-13

**Code area**

3 Working conditions are safe and hygienic

**Workplace requirement**

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

**Issue title**

233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect

**Description**

During the facility observation, there was no safety label for chemical at workshops.  
车间的化学品没有粘贴安全标签。

**Status**

Open\*

**Time given to resolve**

30 days

**Verification method**

Desktop audit

**Area of non-compliance/non-conformance**

Local law

Base code

**Corrective and preventative actions**

It is recommended that safety labels should be attached for all chemicals for identification.

**Corrective and preventative actions (carried over)**

It is recommended that safety labels should be attached for all hazardous chemicals for identification.

**Local law reference**

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

**Evidence**

[No safety label for chemical.JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-11-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

**Time given to resolve**

30 days

**Issue title**

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

**Verification method**

Desktop audit

**Description**

As per the onsite tour, it was noted that there was no secondary contain for chemical such as printing ink, glue and etc..  
根据现场观察，化学品（油墨，胶水等）没有二次容器。

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that management adopt practices and controls to ensure that the secondary container is used for the chemical material.

**Corrective and preventative actions (carried over)**

It is recommended that management adopt practices and controls to ensure that the secondary container is used for the chemical material.

**Local law reference**

In accordance with Article 20 of Regulation for Safety of Hazardous Chemical, an entity producing or storing hazardous chemicals shall, according to the category and dangerous properties of the hazardous chemicals it produces or stores, set up monitoring, controlling, ventilation, sun-proof, temperature-controlled, fireproof, fire fighting, blast-proof, pressure discharging, poison-proof, neutralizing, moisture-proof, lightening-proof, static-proof, antiseptis, and anti-leakage safety facilities or equipment, such as protection dams and segregated operations, etc. at the work places, and maintain them on a routine basis according to the national standards, industrial standards or relevant state provisions so as to guarantee the normal functioning thereof.

**Evidence**

[No secondary container for chemical \(3\).JPG](#)

[No secondary container for chemical \(2\).JPG](#)

[No secondary container for chemical \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.



**Non-compliance**

Due 2024-11-13

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**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).

**Time given to resolve**

30 days

**Issue title**

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

**Verification method**

Desktop audit

**Description**

During the facility observation, it was found that about 10% of the workers in the high-noise workshop, such as book binders and folding workers, were not wearing the earplugs provided by the facility.

**Area of non-compliance/non-conformance**

Local law  
Base code

走访发现，在高噪声车间工作的约10%员工没有佩戴工厂佩戴的耳塞，如装订工人，折页工人。

**Corrective and preventative actions**

It is recommended that factory should provide PPE for workers who contacted with high noise, and supervise employees to wear them correctly.

**Corrective and preventative actions (carried over)**

It is recommended that factory should provide PPE for workers who contacted with hazardous material, and supervise employees to wear them correctly.

**Local law reference**

In accordance with Article 37 of Law of the People's Republic of China on Production Safety, an employer shall provide employees with occupational health and safety conditions and necessary personal protective equipment conforming to the state stipulations and shall monitor and educate employees on how to wear and use such personal protective equipment according to use instruction.

**Evidence**

[Not wear PPE \(3\).JPG](#)

[Not wear PPE \(2\).JPG](#)

[Not wear PPE \(1\).JPG](#)

\* PDF generated at 05:22 on 14 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

## Findings: good examples

No good examples

## Management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems



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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

## Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances/ non-conformances.

Good practice examples should be pointed out at the closing meeting as well as discussing non-compliances/ non-conformances and corrective actions, Collaborative Action Required findings and the Management Systems Assessment.

### Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex Members' E-learning Platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex Members' E-learning Platform](#) for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via the Sedex Platform or by Follow-up Audit.
5. Some NCs that cannot be closed off by "Desk-Top" review may need to be closed off via a "Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.

8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

## Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on Management Systems please refer to the Management Systems Workbooks.

## Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the Base Code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions. Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

#### **For Suppliers**

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from “open” to “in progress”. Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

#### **For Buyers**

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

**For Auditors**

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



For more information visit <https://www.sedex.com>