

# 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	ZC5000021373	Auditor company name	BUREAU VERITAS CPS - ASIA
Date of audit	2025-01-06	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference		Site name	CO Ltd
Business name	CO Ltd	Site address	CN
Site phone		Site email	



# 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	NA, No Union on site		
Reason for absence during the audit	NA, No Union on site		
Reason for absence at the closing meeting	NA, No Union on site		

# 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)

Ni

Lead auditor

Sarah Shao

APSCA Number

21701307

Additional auditor

Date of declaration

2025-01-07

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.
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Full name	
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Title	Factory Director
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Date of declaration	2025-01-07
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## Summary of findings

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

## Local law issues

§1	<p>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. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7, 当心触电警示标志应安装在有可能发生触电危险的电器设备和线路, 如: 配电室、开关等。6.2 标志牌的材质: 安全标志牌应采用坚固耐用的材料制作, 一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。</p>
§2	<p>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. Article 6.3 of Code of Design of Manufacturing Equipment Safety and Hygiene, for supercooling and overheating, if the hot or supercooled parts of the production equipment may cause danger, they must be equipped with anti-contact shielding. 根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条: 以操作人员操作位置所在平面为基准, 凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位, 都必须设置安全防护装置。根据《生产设备安全卫生设计总则(GB5083-1999)》第6.3 过冷与过热, 若生产设备的灼热或过冷部位可能造成危险, 则必须配置防接触屏蔽。</p>
§3	<p>In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations. 根据《工作场所安全使用化学品规定》第27条: 职工有权获得: (1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料; (2)在其工作过程中危险化学品可能导致危害安全与健康的资料; (3)安全技术的培训, 包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训; (4)符合国家规定的劳动防护用品。</p>
§4	<p>English: In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. Local language: 根据《工作场所安全使用化学品规定》第14条: (1)使用单位购进的化学品需要转移或分装到其他容器时, 应标明其内容。对于危险化学品, 在转移或分装后的容器上应贴安全标签; (2)盛装危险化学品的容器在未净化处理前, 不得更换原安全标签。</p>
§5	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第73条: 劳动者在下列情形下, 依法享受社会保险待遇: (一)退休; (二)患病、负伤; (三)因工伤残或者患职业病; (四)失业; (五)生育。劳动者死亡后, 其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p>



56

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

Empty table grid for audit findings.

# 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
- ℹ Some improvements recommended
- ✔ Robust management systems

# Site details

## Company and site details

Sedex company reference	ZC5000021373		
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	Latitude: [REDACTED] Longitude: [REDACTED]	
Is the worksite in a remote location, far from habitation?	No		
Site contact	Contact name	Mr. [REDACTED]	
	Job title	Factory Director	
	Phone number	[REDACTED]	
	Email	[REDACTED]	
Applicable business and other legally required business license numbers and documents	Business License No. : [REDACTED] Valid from [REDACTED]		

## Site activities

Site function	Factory Processing/Manufacturer		
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Site activities

Site activities	Primary	Other manufacturing n.e.c.
	Secondary	
	Other	
Product type	Bags	
Process overview	The factory specialized in the manufacture of bags. The main production processes include cutting, sewing, inspection, and packing. Production line: 2 The main equipment was cutting machines and sewing machines.	
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?	2200m <sup>2</sup>

## Site scope

Building 1	<p>Last construction works on site</p> <p>If building is shared, provide details</p>	<p>2004</p> <p>The factory rented partial 2F, whole 3F and whole 4F of one 4-storey production building. The 1F was used by a company named [REDACTED] Co., Ltd" and the rest part of 2F was used by landlord/ [REDACTED] only office in this building. Per factory tour, document review and employee interview, no share labor found and no violation might influence auditee. Factory did not extend audit scope.</p>
	<p>Number of floors</p> <p>Description of floor activities</p>	<p>4</p> <p>-1F was used by [REDACTED] Co., Ltd";</p> <p>-Rented part of the 2F was used as the inspection and packing workshop and finished products warehouse and the rest part of the 2F was used by the landlord/ [REDACTED] as the office room;</p> <p>-3F was used as the sewing workshop and office rooms;</p> <p>-4F was used as the cutting workshop and raw material warehouse.</p>
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?	<p>Not applicable</p> <p>No dormitory or traffic tools provided for employees in the factory.</p>	

Work patterns

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

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No			
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	No  The factory had assessed for negative impacts on the surrounding environmental factor.			
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	Yes  The recent Human Rights Impact Assessment (HRIA) was conducted in 2024.			

# Worker analysis

Gender disaggregated data available	Men and women
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## Worker totals

	Men	Women	Other	Total
Number of workers	11 (32.4%)	23 (67.6%)	- -	34 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	11 (32.4%)	23 (67.6%)	- -	34 (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	8 (23.5%)	16 (47.1%)	- -	24 (70.6%)
International migrant workers	0 (0%)	0 (0%)	- -	0 (0%)
Total migrant workers	8 (23.5%)	16 (47.1%)	- -	24 (70.6%)

\* % of total workforce

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

Province.

## Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 (2.9%)	0 (0%)	- -	1 (2.9%)
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 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	11 (32.4%)	23 (67.6%)	- -	34 (100%)
Salaried workers	0 (0%)	0 (0%)	- -	0 (0%)

\* % 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	11 (32.4%)	23 (67.6%)	- -	34 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

\* % of total workforce

If other payment cycle entered, please provide details

No other payment cycle.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	2 (5.9%)	0 (0%)	- -	2
Supervisors or team leaders	3 (8.8%)	0 (0%)	- -	3
Administrative staff	2 (5.9%)	5 (14.7%)	- -	7

# 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 employees
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes
Was there any indication that workers had been 'coached' in how they should respond to questions?	No
What was the general attitude of the workers towards their workplace?	Favorable

## Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details)  All workers interviewed had a positive attitude to management and site. No complaint was raised.
What did the workers like the most about working at this site?	Pay Work environment – comfort (e.g. temperature, noise or dust levels) Equal opportunities Overtime Communication (e.g. from management) Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.) Hours worked, rest days or breaks Work atmosphere (e.g. treatment by supervisors) Training and development
Additional comments	<p>10 workers were randomly selected from different departments for a private interview. The workers were assured of confidentiality, and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory, and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.</p> <p>They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns to their worker representative who would take it to the worker management committee.</p> <p>They got paid on time and the factory treated them with respect and dignity. The working environment was comfortable.</p> <p>Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.</p> <p>Workers said that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted.</p> <p>Further, 4 more employees were interviewed about the environmental and ethical parts.</p>
Attitude of workers' committee/union representatives	Worker representatives showed a positive attitude towards auditor during interview process and meeting. The worker committee reps were satisfied with the working conditions, and they stated that they could give suggestions on all parts of the site's practices.
Attitude of managers	At the opening meeting, the auditor explained the audit scope and the audit standard to the factory representative. Factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs. A periodic audit was finished with the co-operation of the factory representatives. The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they took notice of the findings of the internal audit team and had implemented a Health & Safety committee to take care of health and safety concerns.

## Workers interviewed by type

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

## Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	2	3	-	5
Workers interviewed individually	2	3	-	5

## Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	4	5	-	9
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	4	5	-	9

# Measuring workplace impact

Gender disaggregated data available	Men and women
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## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2024)	1.0%	1.0%	-	2.0%
Previous full calendar year (2023)	2.0%	1.0%	-	3.0%

\* 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 (2024)	1.0%	1.0%	-	2.0%
Previous full calendar year (2023)	1.0%	2.0%	-	3.0%

\* 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
	No accident happened in the past 12 months. Accident would be recorded if occurred.

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

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

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

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

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

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

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

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

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

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

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

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

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





# 1. Employment is freely chosen

## Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Robust Management Systems

Monitor the effectiveness of procedures to meet policy and workplace requirements

Robust Management Systems

Explanation for management systems grades

The recruitment process policies are appropriate for the site context and are very likely to lead to sustainable compliance with all of the Workplace Requirements in the Base Code Area. There is a clear procedure for updating documentation according to changing requirements or situations.

HR department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.

Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.

The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

## Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current System:**

1. A policy which prohibits forced labour was available for review.
2. A non-formalized application stated that workers must present their ID's for proof of age but that only copies must be kept in the personnel files and the original given back to the workers.
3. The employee handbook – given to new joiner's stated that:
  - Employee would be given their full wages on their last day of work
  - The factory does not limit the employees' freedom.
  - The facility wouldn't hire forced, bonded or involuntary prison labour.

**Details:**

1. Document review:
  - Prohibits forced labour policy
  - Personnel files (all samples were checked)
  - Resignation records
  - Factory rules
  - Employee handbook
2. Management and worker interview

1. Employment is freely chosen

Data points

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

# 1.A. Responsible recruitment and entitlement to work

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The recruitment policy is clear, complete and accurate about the nature of work, location, working conditions including working time, living conditions and costs (where relevant), employment terms, wages and benefits, identity of the employer, and any immigration requirements, and that terms do not change to workers' disadvantage during recruitment, which was compliance with all of the Workplace Requirements in the Base Code Area. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		



Systems and evidence examined to validate this code section

- Current system:
- 1. Employee was hired by facility directly
  - 2. Evidence of legal eligibility to work – a clear copy (scanned, photocopied or photograph) of the original ID.
  - 3. The recruitment policy is clear, complete and accurate about the nature of work, location, working conditions including working time, living conditions and costs (where relevant), employment terms, wages and benefits, identity of the employer, and any immigration requirements, and that terms do not change to workers' disadvantage during recruitment.
  - 4. Facility had established the policy of forbidden hired child labour and protection of young worker.
  - 5. Facility didn't charge any fee from employees during the recruitment.

- Details:
- 1. Document review:
    - Recruitment policy
    - Resignation records
    - Factory rules
    - Employee handbook
  - 2. Management and worker interview

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

### Data points

#### Labour hire

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

#### Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	71%
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	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

NA. No any recruitment fees.

## 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>The policy for freedom of association and collective bargaining agreement were sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>EHS committee responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year. The meeting was held each quarter.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>		

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current system:**

1. There was a Worker Committee in the factory.
2. Suggestion box was set up in safety place.
3. The right to freedom of association and collective bargaining was facilitated by facility.
4. According to workers interview, they were free to join organizations, the factory management recognized and respected their rights to freedom of association and collective bargaining.

**Details:**

1. Management interview
2. Worker interview
3. Worker representative interview
4. Document review:
  - Meeting records from the Worker Committee
  - Suggestions from the suggestion box and actions taken records

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

### Data points

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

## 3. Working conditions are safe and hygienic

### Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Some Improvements Recommended

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

Explanation for management systems grades






The policy for Health and Safety was sound. There is a clear procedure for updating documentation according to changing requirements or situations.

EHS committee responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.

Isolated cases of individuals relevant to achieving compliance with the Base Code Area, missing from communications or training implementation.

Evidence of monitoring but no evidence of process or actions taken based on the monitoring results.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safety...	§1	NC 
	3.M Ensure all machinery is installed, maintained...	§2	NC 
	3.N Maintain a log of all hazardous substances...	§3	NC 
	3.R Provide clean and secure toilets, wash areas...		NC 
	3.N Maintain a log of all hazardous substances...	§4	NC 

Systems and evidence examined to validate this code section

- Current system:
- 1. Ventilation, temperature and lighting were adequate for the production processes.
  - 2. The factory maintained a comfortable temperature in the production area.
  - 3. Sufficient first aid kits stocked with necessary supplies are provided in all workshops.
  - 4. Potable water was freely available in all areas and test certificates were up to date.
  - 5. Minutes of meetings showed monthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
  - 6. Fire drill records were provided for review. Recently two fire drills were conducted on April 26 and October 22, 2024 respectively.
  - 7. There were at least 2 exits for all work areas and all the exits were clearly marked.
  - 8. Fire-fighting equipment was adequate, and checks were up to date.
  - 9. Evacuation diagrams were posted in all areas and understood by all workers interviewed.
  - 10. All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards.
  - 11. There were competent electricians at the site and their training certificates were available for review.
  - 12. Legal construction safety document was provided for review and 3rd party structural engineer evaluation was not provided, and it was not required by local law.
  - 13. Dormitory rooms were not provided for employees.

- Details:
- 1. Document review:
    - Health and safety policy
    - Health and safety manual
    - Health and safety committee minutes
    - Training records and certificates
    - Fire equipment maintenance records
    - Trained first aider register
  - 2. Interviews with H&S manager
  - 3. Interviews with workers and H&S committee members



# Findings: non-compliances

<div></div>		Non-compliance	Due 2024-02-21
Code area	Status		
3 Working conditions are safe and hygienic	Open*		
Workplace requirement	Time given to resolve		
3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.	30 days		
Issue title	Verification method		
227 - Unmarked/incorrect labels/signage/instructions for electrics	Desktop audit		
Description	Area of non-compliance/non-conformance		
English: It was noted that no warning sign was marked on the electricity switch box of 1 out of 2 cutting machines in the cutting workshop. Local language: 审核发现工厂裁断 车间1/2台裁断机的开关箱没有安装警示标志。	Local law		
Description (carried over)			
It was noted that no warning sign was marked on the electricity switch box of 1 out of 2 cutting machines in the cutting workshop. 审核发现工厂裁断车间1/2台裁断机的开关箱没有安装警示标志。			
Corrective and preventative actions			
English: It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock. Local language: 建议工厂对整个工厂的电气设施安装警示 标志。			
Corrective and preventative actions (carried over)			
It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock. 建议工厂对整个工厂的电气设施安装警示标志。			
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. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7, 当心触电警示标志应安装在有可能发生触点危险的电器设备和线路, 如: 配电室、开关等。6.2 标志牌的材质: 安全标志牌应采用坚固耐用的材料制作, 一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。			
Evidence			



NC-No warning sign equipped.JPG



\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.



Non-compliance

Due 2024-02-21

Code area

3 Working conditions are safe and hygienic

Status

Open\*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

English: It was noted that 10 out of 12 flat sewing machines in the sewing workshop were not equipped with needle guards and 2 out of 2 high-head sewing machines being used in the same workshop were not equipped with the eyes' protection devices and pulley guards.  
Local language: 审核发现车缝车间10/12台平车没有安装针挡, 2/2台高车没有安装护目器和皮带轮保护罩。

Area of non-compliance/non-conformance

Local law

Description (carried over)

It was noted that all sewing machines in the sewing workshop were not installed with needle guard. 审核发现缝制车间的所有针车均没有安装针挡。

Corrective and preventative actions

English: It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards and all high-head sewing machines are equipped with the eyes' protection devices and pulley guards.  
Local language: 建议工厂为所有的平车安装针挡, 高车安装护目器和皮带轮保护器。

Corrective and preventative actions (carried over)

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

Local law reference

In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. Article 6.3 of Code of Design of Manufacturing Equipment Safety and Hygiene, for supercooling and overheating, if the hot or supercooled parts of the production equipment may cause danger, they must be equipped with anti-contact shielding. 根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条：以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。根据《生产设备安全卫生设计总则(GB5083-1999)》第6.3 过冷与过热，若生产设备的灼热或过冷部位可能造成危险，则必须配置防接触屏蔽。

Evidence



NC-No pulley guard equipped.JPG



NC-No needle guard equipped.JPG



NC-No eyes' protective device equipped.JPG

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

[REDACTED]		Non-compliance	Due 2024-02-21
Code area	Status		
3 Working conditions are safe and hygienic	Closed (2025-01-06)*		
Workplace requirement	Time given to resolve		
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.	30 days		
Issue title	Verification method		
230 - No material safety data sheet (MSDS) obtained/available	Desktop audit		
Description	Area of non-compliance/non-conformance		
It was noted that no material safety data sheet for products (MSDS) was available for the machine oil being used in the sewing workshop. 审核员发现针车车间使用的机油没有化学品安全技术说明书 (MSDS)。	Local law		
Description (carried over)			
It was noted that no material safety data sheet for products (MSDS) was available for the machine oil being used in the sewing workshop. 审核员发现针车车间使用的机油没有化学品安全技术说明书 (MSDS)。			



Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory. 建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。

Corrective and preventative actions (carried over)

It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory. 建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。

Local law reference

In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations. 根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康的资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。

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		Non-compliance	Due 2025-02-12
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
Issue title	332 - Sanitary facilities are inadequate to protect women's health, safety or privacy (e.g. lack menstrual hygiene facilities, or toilets not separated by gender)	Verification method	Desktop audit
Description	English: It was noted that toilet paper, soap, and menstrual pads were not available in the toilet located at the production workshops of the production building. Local language: 审核员发现工厂生产楼生产车间内的洗手间没有厕纸，香皂和女性卫生巾。	Area of non-compliance/non-conformance	Base code
Corrective and preventative actions	English: It is recommended that management adopt practices and controls to ensure that toilet paper, soap, and menstrual hygiene facilities are provided in the toilets located at the production workshops. Local language: 建议工厂在生产车间的洗手间配备厕纸，香皂和女性卫生巾。		
Evidence			



NC-No toilet paper, soap or menstrual pads provided.JPG

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

[Redacted]		Non-compliance	Due 2025-03-14
Code area	Status		
3 Working conditions are safe and hygienic	Open*		
Workplace requirement	Time given to resolve		
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.	60 days		
Issue title	Verification method		
232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect	Desktop audit		
Description	Area of non-compliance/non-conformance		
English: It was noted that 1 out of 1 machine oil container being used in the production workshops of the production building was not posted with name label. Local language: 审核员发现工厂生产楼生产车间内有1/1瓶机油没有张贴内容标签。	Local law		
Corrective and preventative actions	Base code		
English: It is recommended that management adopt practices and controls to ensure that all machine oil containers stored or being used in the factory were posted with the name label. Local language: 建议所有在工厂内储存和使用的机油容器都张贴有内容标签。			
Local law reference			
English: In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. Local language: 根据《工作场所安全使用化学品规定》第14条: (1)使用单位购进的化学品需要转移或分装到其他容器时, 应标明其内容。对于危险化学品, 在转移或分装后的容器上应贴安全标签; (2)盛装危险化学品容器在未净化处理前, 不得更换原安全标签。			
Evidence			



[NC-No name label posted.JPG](#)



\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Machine oil was used in the factory.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable The factory construction was got the permits. There were not any structural additions.
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>The recruitment policy is clear, complete and accurate about the nature of work, location, working conditions including working time, living conditions and costs (where relevant), employment terms, wages and benefits, identity of the employer, and any immigration requirements, and that terms do not change to workers' disadvantage during recruitment, which was compliance with all of the Workplace Requirements in the Base Code Area. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>		

Summary of findings			
Code area	Workplace requirement	Local law	Finding
	No findings		



Systems and evidence examined to validate this code section

Current system:

1. The factory establishes a policy that never employ and use any child labour under the age of 16 years old.
2. The factory will verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files.
3. Enough employees' personal files were provided for review.
4. Each employee file includes a biodata sheet, a recent photo and the copy of ID card.
5. The young employees between 16 to 18 years old would be registered to the local Labour Department.

Details:

1. Document review:
  - Personnel files of all workers
  - Latest list of employees
  - The copy of ID Card
  - Hire policy
2. Management interview
3. Worker interview

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	2%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0%
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

Fundamental Improvements Required

Explanation for management systems grades


The policy for Employee's wage and benefit was sound. There is a clear procedure for updating documentation according to changing requirements or situations.

There is clear management responsibility for Employee's wage and benefit. General Manager was named within the wage and benefit policy as ultimately responsible for ensuring its resourcing, approval, and regular review. Specific HR department and Financial department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.

Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.

Failure in monitoring has or is likely to lead to systemic major or critical NCs.

### 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 

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

**Current system:**

1. All sampled employees were paid at least RMB13.51 per hour in the tested sample months, which met the local minimum wage of RMB1960 per month or RMB11.26 per hour since April 1, 2022.
2. According to provided payroll and attendance records that all sampled employees were compensated 150% of normal wages for overtime on weekdays and 200% of normal wages for overtime on rest days, which was compliance with legal requirement. No overtime on statutory holidays was noted.

**Details:**

1. Document review:
  - Local and national laws
  - Wages and benefits policy
  - Local legal minimum wage documents
  - Payroll records
  - Leave records
  - Social insurance and payment receipts from the local labour department
  - Resignation records
  - Hours records to check hourly rates and any overtime premiums
2. Worker interview
3. Management interview

# Findings: non-compliances

	Non-compliance	Due 2024-03-22
<div>Code area</div> <div>5 Legal wages are paid</div>		<div>Status</div> <div>Open*</div>
<div>Workplace requirement</div> <div>5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.</div>		<div>Time given to resolve</div> <div>60 days</div>
<div>Issue title</div> <div>423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic</div>		<div>Verification method</div> <div>Follow up audit</div>
<div>Description</div> <div>English: According to the social insurance payment receipt provided by factory management, it was noted that only 7 out of 46 employees were provided with pension, unemployment, accident, medical and maternity insurance in December 2024. And the factory provided commercial injury insurance for 46 employees with a valid period from December 18, 2024 to December 17, 2025. Local language: 审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年12月的社会保险缴费单据显示工厂仅为7/46名员工提供了养老、失业、工伤、医疗和生育保险。工厂还为所有员工提供了周期为2024年12月18日至2025年12月17日的商业保险。</div>		<div>Area of non-compliance/non-conformance</div> <div>Local law</div>
<div>Description (carried over)</div> <div>It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 7 out of 45 employees were provided with pension, unemployment, accident, medical, maternity insurance in January 2024. Remark: Factory provided all employees with commercial insurance valid from Dec 20, 2023 to Dec 19, 2024. 审核发现工厂的社会保险覆盖不足。根据厂方提供的[2024年, 1月]社会保险缴费单据显示工厂为7/45名员工提供养老、失业、工伤、医疗、生育保险。备注: 工厂为全部员工提供商业保险, 有效期为2023年12月20日到2024年12月19日。</div>		
<div>Corrective and preventative actions</div> <div>English: It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. Local language: 建议工厂为员工提供所有法定的社会保险福利。</div>		
<div>Corrective and preventative actions (carried over)</div> <div>It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。</div>		
<div>Local law reference</div> <div>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers are entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第73条: 劳动者在下列情形下, 依法享受社会保险待遇: (一)退休; (二)患病、负伤; (三)因工伤残或者患职业病; (四)失业; (五)生育。劳动者死亡后, 其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</div>		

## Evidence

2025/01/06

2025/01/06

[NC-Insufficient social insurance-2.JPG](#)

[NC-Insufficient social insurance-1.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) All employees in the factory were paid in cash on or before the end of next month.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	Non applicable
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	16.0
	Max hours per month	66.0
Minimum legal wage	Min per hour	11.26
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1960.0
Actual minimum wage	Actual per hour	13.51
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	2350.0
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	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

## Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from February 2024, 10 samples from June 2024, and 10 samples from November 2024.
Are there different legal minimum/ legally recognised CBAs wage grades?	Yes Sample employees were paid in different minimum wage with different posts and length of hired.



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	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage	
Are there any bonus schemes used?	Yes  Full attendance allowance, food and accommodation allowance provided for employees.	
Were accurate records shown at the first request?	Yes	
Were any inconsistencies found?	No	



## 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

Fundamental Improvements Required

Explanation for management systems grades

The policy for Employee's working hour control and arrangement was sound. There is a clear procedure for updating documentation according to changing requirements or situations.

There is clear management responsibility for working hour control. General Manager was named within the working hour control policy as ultimately responsible for ensuring its resourcing, approval, and regular review. Specific HR department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.

Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.

Failure in monitoring has or is likely to lead to systemic major or critical NCs made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.

### 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

Current system:

1. The auditor reviewed the attendance records of sampled employees (10 samples from February 2024, 10 samples from June 2024, and 10 samples from the most recent paid month November 2024). It was noted that the maximum overtime working hours for all 30 sample employees were 2 hours on the normal day, 16 hours per week and 66 hours per month. Further, the maximum consecutive days for sample employees were 6 days in a month.

2. All employees ran 1 shift: 8:00-12:00, 14:00-18:00. The wages of employees were paid at hourly rate. The wages were issued on or before the end of next month in cash. No obvious peak season in the factory.

3. Through employees' interview, overtime was voluntary.

- Details:
1. Document review:
- Local and national laws
  - Factory policy on working hours
  - Timecards
  - Sample pay slips with recorded hours all workers interviewed
  - Workers' contracts
  - Quality and production records to cross check hours
2. Employee interview
3. Management interview

# Findings: non-compliances

		Non-compliance	Due 2024-03-22
Code area	Status		
6 Working hours are not excessive	Open*		
Workplace requirement	Time given to resolve		
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.	60 days		
Issue title	Verification method		
480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)	Follow up audit		
Description	Area of non-compliance/non-conformance		
English: It was noted that 20 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from February 2024, 10 samples from June 2024, and 10 samples from the most recent paid month November 2024) yielded the following: •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e., 66 hours) in June 2024, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e., 66 hours) in November 2024, which was not in compliance with the legal requirement. Local language: 根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工时记录中抽取30个样本(其中从2024年2月抽取10个，从2024年6月抽取10个，从最近月份2024年11月抽取10个)，发现共有20名员工加班时间超出了法定标准，具体为：10/10名员工在2024年6月的加班时间为66小时，超过每月加班时间不能超过36小时的法律规定；10/10名员工在2024年11月的加班时间为66小时，超过每月加班时间不能超过36小时的法律规定。	Local law		
Description (carried over)			
It was noted that sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from March 2023, 10 samples from June 2023 and 10 samples from current month November 2023) yielded the following: •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 54 hours) in March 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 58 to 60 hours) in June 2023, which was not in compliance with the legal requirement; •10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 to 58 hours) in November 2023, which was not in compliance with the legal requirement. 根据厂方提供的工时记录，审核发现员工加班时间超出了法定标准。审核员从厂方提供的工资记录中工抽取30个样本(其中从2023年3月抽取10个，从2023年6月抽取10个，从最近月份2023年11月抽取10个)，发现有员工加班时间超出了法定标准，具体为：•10/10名员工在2023年3月的加班时间为54小时，超过每月加班时间不能超过36小时的法律规定；•10/10名员工在2023年6月的加班时间为58到60小时，超过每月加班时间不能超过36小时的法律规定；•10/10名员工在2023年11月的加班时间为56到58小时，超过每月加班时间不能超过36小时的法律规定。			
Corrective and preventative actions			
English: It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. Local language: 建议工厂确保员工的加班时间符合法律要求。			
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. 建议工厂确保员工的加班时间符合法律要求。			

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

## Evidence



[NC-Monthly overtime hours more than 36 hours.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.



6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Employees were paid 150% of normal wage for overtime wage worked on weekdays, 200% of normal wage for overtime wage worked on rest days. And no one worked on statutory holidays.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	56.0
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	<p>The policy for justice, equity, and non-discrimination was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR department and EHS committee responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		



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

**Current system:**

1. According to document review, workers interview and factory tour, there is no discrimination in hiring, compensation, access to training, promotion, race, caste, national origin, religion, age, disability, gender, material status, sexual orientation, or political affiliation.
2. No worker was required to do the examination of the hepatitis B virus and HIV.
3. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
4. There was an internal grievance process, and all of the interviewees were aware of the grievance channels in case they encountered any discrimination cases.

**Details:**

**1. Document review:**

- The hiring and termination procedure, leave application records and employee handbook.
- Payroll records
- Attendance records
- Termination records
- Training records

**2. Management interview**

**3. Employee interview**



## 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	<p>The code of employment was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current system:**

1. All permanent workers (local and migrant) were recruited by the factory directly.
2. Work performed is based on recognized employment relationship established through national law and practice.
3. The factory signs labor contracts with employees within 30 days after employment.
4. There is no agency or contactor used by the site.
5. All workers had the proper legal rights to work in this region.
6. Factory established the procedure for screening through checking the original identification certificates and other background information to ensure that employees without the legal right to work were not recruited.

**Details:**

1. Document review:
  - The hiring and termination practices
  - Personal files
  - Payroll records
  - Contracts
2. Worker interview
3. Management interview



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

Management systems			
Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems		
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems		
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems		
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems		
Explanation for management systems grades	<p>The policy for contractor and homeworker control was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>Purchase and Production department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>		

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current system:**

1. A site tour showed that all production processes were present in the unit.
2. According to the management and employees' interview, no home worker and subcontractor was used in the factory.

**Details:**

1. Document Review:
  - Supplier policy
  - production records
  - materials in/out records
2. Factory Tour
3. Management interview
4. Worker interview



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

### Data points

Are homeworkers employed directly or engaged through an agent?	Not applicable				
Gender disaggregated data available					
Number of homeworkers used					
	Men	Women	Other	Total	
Number of workers	-	-	-	-	
What processes are carried out by homeworker?					
Are full records of homeworkers available at the site?					
Does the supplier buy products or services from suppliers that use homeworkers?	No	There was mechanism in place for monitoring the subcontract units for agreement with laws or the code, no homeworkers was noted in the suppliers.			
Sub-contracting					
Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No	As per the workers' capacity and production records, no concerns about unrecorded work or undeclared sub-contracting on site			
Are any sub-contractors used?	No				

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The policy for system of rewards and penalties was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR and production department responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current system:**

1. From documents management had established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination and the facility had developed a training program for all employees on the procedure.
2. Worker interview confirmed that workers were aware of the disciplinary procedure.
3. There was an internal process for grievance, which was an anonymous hotline, where workers could report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the worker in question.

**Details:**

1. Document review:
  - The relevant policy on prevention of harassment and abuse Internal grievance procedure documentation.
  - Training records
2. Worker interview
3. Management interview

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
What type of grievance mechanism(s) are available?	According to employees' interview, they represented that the factory had set suggestion box and provided hot line for them to reporting any violations of labour standards and H&S.
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	Fundamental Improvements Required	
Explanation for management systems grades	<p>The policy for environment protection was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>There is clear management responsibility for environment protection. General Manager was named within the environment protection policy as ultimately responsible for ensuring its resourcing, approval, and regular review. Specific HR department, EHS committee, and General Manager responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors twice per year.</p> <p>Failure in monitoring has or is likely to lead to systemic major or critical NCs. (The recorder of waste ledger was not clear may cause misregistration and waste transport not integrity or timely)</p>	

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

**Current system:**

1. All of the legally required environmental certificates were available and valid during this audit.
2. The annual monitoring reports for air emission, wastewater and boundary noise were provided for review, and the results were within the restriction per environmental law.
3. Based on the workers' interview, they were trained on environmental protection.

**Details:**

1. Document review:
  - Environmental policy
  - Energy bills
  - Water bill
  - Worker and management interview
2. Site tour
3. Employee interview
4. Management interview

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	All legal required environmental documents and certificates were checked.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	Yes Per document review, facility had reduction targets in place for environmental aspects e.g., water consumption and discharge, waste, energy and green-house gas emissions.





## 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?	<ul style="list-style-type: none"> <li>Biodiversity and eco system impact management</li> <li>Sustainable material sourcing</li> <li>Circular economy and resource efficiency</li> <li>Prioritising local suppliers</li> <li>Zero-waste and recycling protocols</li> <li>Switching to renewable energy sources</li> <li>Responsible use and management of water</li> <li>Packaging optimization</li> </ul>
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<p>Yes</p> <p>Mr. [REDACTED] Factory Director was appointed to be responsible for communicating, deploying, and monitoring the environment practices elaborated upon in the environmental management system.</p>
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 2 greenhouse gases (GHGs)
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))?	<p>Yes</p> <p>The reduction target was included in the Environmental policy.</p>
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<p>Yes</p> <p>The facility had checked the business partners operating on the premises had the appropriate permits and license and were conducting business in line with environmental expectation of the facility.</p>

### Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	122,110	54,244

Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
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	Municipal Water
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	829	487
Water discharged	Municipal wastewater treatment	Municipal wastewater treatment
Water volume discharged (m3)	800	413
Water volume recycled (m3)	0	0
Total waste produced (mt)	12.5	2.3
Total hazardous waste produced (mt)	0	0
Waste to recycling (mt)	12	2
Waste to landfill (mt)	0.5	0.3
Waste to other (mt)	0	0
Total product produced (mt)	1,500,000	480,000

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	<p>The policy for Business ethics was sound. There is a clear procedure for updating documentation according to changing requirements or situations.</p> <p>HR department, Purchase and Production department, Financial department and General Manager responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.</p> <p>Effective training and communication of policy and procedures to all relevant workers, including managers and supervisors.</p> <p>The organization effectively monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensures sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current system:

- The Mr. [REDACTED] General Manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- The company established a business ethics policy which was communicated to workers through posters and training.
- The site had received and read the Business Ethics policy of the auditor/audit company.
- There was an internal grievance process, which was anonymous email address and hotlines.

Details:

1. Document review:  
The company business ethics policy including

- Bribery
- Corruption Training records Worker handbook
- Reports from Anonymous email account

2. Worker and management interview





## Attachments



[25-Attendance system.JPG](#)



[24-Drinking facility.JPG](#)



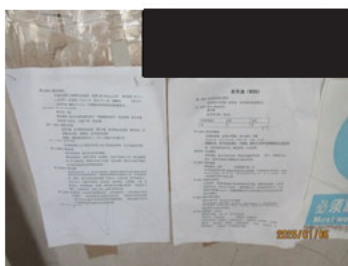
[23-Toilet.JPG](#)



[22-Suggestion box.JPG](#)



[21-Needle guard.JPG](#)



[20-MSDS posted.JPG](#)



[19-Anti-leakage facility.JPG](#)



[18-First aid kit.JPG](#)



[17-No smoking sign.JPG](#)



[16-Fire extinguishers.JPG](#)



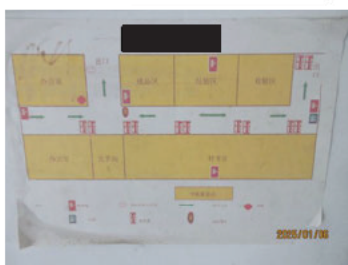
[15-Fire hydrant.JPG](#)



[14-Fire alarm with backup source.JPG](#)



[13-The button of fire alarm.JPG](#)



[12-Evacuation plan.JPG](#)



[11-Evacuation sign.JPG](#)



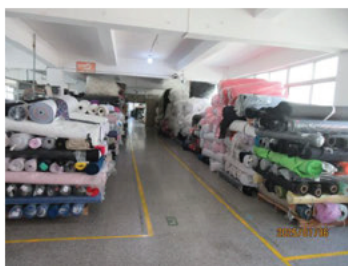
[10-Safety exit sign combined emergency light.JPG](#)



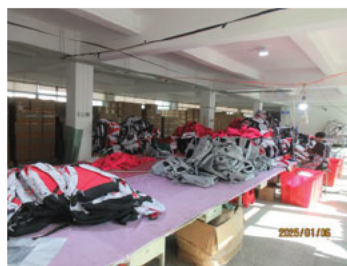




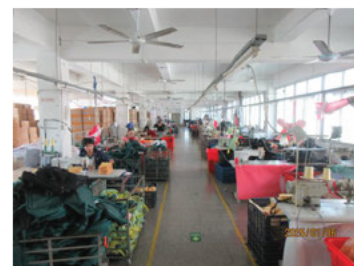
[9-Finished products warehouse.JPG](#)



[8-Raw material warehouse.JPG](#)



[7-Inspection and packing workshop.JPG](#)



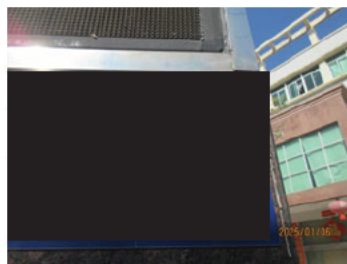
[6-Sewing workshop.JPG](#)



[5-Cutting workshop.JPG](#)



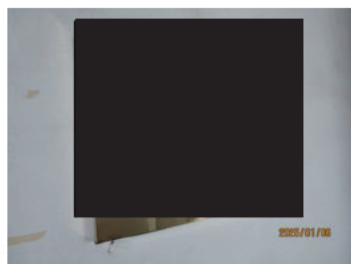
[4-Production building.JPG](#)



[3-Factory address.JPG](#)



[2-Factory gate.JPG](#)



[1-Factory name.JPG](#)





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	ZC5000021373	Auditor company name	BUREAU VERITAS CPS - ASIA
Date of audit	2025-01-06	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference		Site name	CO Ltd
Business name	CO Ltd	Site address	CN
Site phone		Site email	



# Audit parameters

Time in and out	Day 1		Day 2	
	In	09:00	In	09:00
	Out	17:00	Out	13:00
Audit type	Periodic			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	/ Factory Director			
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	NA, No Union on site		
Reason for absence during the audit	NA, No Union on site		
Reason for absence at the closing meeting	NA, No Union on site		



Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
-------------	--

Full name	
-----------	--

Title	Factory Director
-------	------------------

Date of declaration	2025-01-07
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## Summary of findings

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

## Local law issues

§1	<p>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. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7, 当心触电警示标志应安装在有可能发生触电危险的电器设备和线路, 如: 配电室、开关等。6.2 标志牌的材质: 安全标志牌应采用坚固耐用的材料制作, 一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。</p>
§2	<p>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. Article 6.3 of Code of Design of Manufacturing Equipment Safety and Hygiene, for supercooling and overheating, if the hot or supercooled parts of the production equipment may cause danger, they must be equipped with anti-contact shielding. 根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条: 以操作人员操作位置所在平面为基准, 凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位, 都必须设置安全防护装置。根据《生产设备安全卫生设计总则(GB5083-1999)》第6.3 过冷与过热, 若生产设备的灼热或过冷部位可能造成危险, 则必须配置防接触屏蔽。</p>
§3	<p>In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations. 根据《工作场所安全使用化学品规定》第27条: 职工有权获得: (1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料; (2)在其工作过程中危险化学品可能导致危害安全与健康的资料; (3)安全技术的培训, 包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训; (4)符合国家规定的劳动防护用品。</p>
§4	<p>English: In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. Local language: 根据《工作场所安全使用化学品规定》第14条: (1)使用单位购进的化学品需要转移或分装到其他容器时, 应标明其内容。对于危险化学品, 在转移或分装后的容器上应贴安全标签; (2)盛装危险化学品的容器在未净化处理前, 不得更换原安全标签。</p>
§5	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第73条: 劳动者在下列情形下, 依法享受社会保险待遇: (一)退休; (二)患病、负伤; (三)因工伤残或者患职业病; (四)失业; (五)生育。劳动者死亡后, 其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p>

56

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



# Findings: non-compliances

<div></div>		Non-compliance	Due 2024-02-21
<b>Code area</b> 3 Working conditions are safe and hygienic		<b>Status</b> Open*	
<b>Workplace requirement</b> 3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.		<b>Time given to resolve</b> 30 days	
<b>Issue title</b> 227 - Unmarked/incorrect labels/signage/instructions for electrics		<b>Verification method</b> Desktop audit	
<b>Description</b> English: It was noted that no warning sign was marked on the electricity switch box of 1 out of 2 cutting machines in the cutting workshop. Local language: 审核发现工厂裁断车间1/2台裁断机的开关箱没有安装警示标志。		<b>Area of non-compliance/non-conformance</b> Local law	
<b>Description (carried over)</b> It was noted that no warning sign was marked on the electricity switch box of 1 out of 2 cutting machines in the cutting workshop. 审核发现工厂裁断车间1/2台裁断机的开关箱没有安装警示标志。			
<b>Corrective and preventative actions</b> English: It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock. Local language: 建议工厂对整个工厂的电气设施安装警示标志。			
<b>Corrective and preventative actions (carried over)</b> It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the factory are marked to avoid electric shock. 建议工厂对整个工厂的电气设施安装警示标志。			
<b>Local law reference</b> 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. 6.2 The material of signs: Safety signs should be made of durable material. The materials which will be deformed or deteriorated when wet and flammable material are generally shall preferably not be used. The insulation material should be used at workplace where there is risk of electric shock. 根据《安全标志及使用导则(GB 2894-2008)》警示标志2-7, 当心触电警示标志应安装在有可能发生触点危险的电器设备和线路, 如: 配电室、开关等。6.2 标志牌的材质: 安全标志牌应采用坚固耐用的材料制作, 一般不宜使用遇水变形、变质或易燃的材料。有触电危险的作业场所应使用绝缘材料。			
<b>Evidence</b> <a href="#">NC-No warning sign equipped.JPG</a>			

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

<div></div>		Non-compliance	Due 2024-02-21
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## Code area

3 Working conditions are safe and hygienic

## Workplace requirement

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

## Issue title

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

## Description

English: It was noted that 10 out of 12 flat sewing machines in the sewing workshop were not equipped with needle guards and 2 out of 2 high-head sewing machines being used in the same workshop were not equipped with the eyes' protection devices and pulley guards.

Local language: 审核发现车缝车间10/12台平车没有安装针挡, 2/2台高车没有安装护目器和皮带轮保护罩。

## Description (carried over)

It was noted that all sewing machines in the sewing workshop were not installed with needle guard. 审核发现缝制车间的所有针车均没有安装针挡。

## Corrective and preventative actions

English: It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards and all high-head sewing machines are equipped with the eyes' protection devices and pulley guards.

Local language: 建议工厂为所有的平车安装针挡, 高车安装护目器和皮带轮保护器。

## Corrective and preventative actions (carried over)

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

## Local law reference

In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. Article 6.3 of Code of Design of Manufacturing Equipment Safety and Hygiene, for supercooling and overheating, if the hot or supercooled parts of the production equipment may cause danger, they must be equipped with anti-contact shielding. 根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条: 以操作人员的操作位置所在平面为基准, 凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位, 都必须设置安全防护装置。根据《生产设备安全卫生设计总则(GB5083-1999)》第6.3 过冷与过热, 若生产设备的灼热或过冷部位可能造成危险, 则必须配置防接触屏蔽。

## Evidence

[NC-No pulley guard equipped.JPG](#)

[NC-No needle guard equipped.JPG](#)

[NC-No eyes' protective device equipped.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance

Due 2024-02-21

## 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

It was noted that no material safety data sheet for products (MSDS) was available for the machine oil being used in the sewing workshop. 审核员发现针车车间使用的机油没有化学品安全技术说明书 (MSDS)。

## Description (carried over)

It was noted that no material safety data sheet for products (MSDS) was available for the machine oil being used in the sewing workshop. 审核员发现针车车间使用的机油没有化学品安全技术说明书 (MSDS)。

## Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory. 建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。

## Corrective and preventative actions (carried over)

It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory. 建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。

## Local law reference

In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations. 根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康的资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance

Due 2024-03-22

## 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.

Issue title

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

Description

English: According to the social insurance payment receipt provided by factory management, it was noted that only 7 out of 46 employees were provided with pension, unemployment, accident, medical and maternity insurance in December 2024. And the factory provided commercial injury insurance for 46 employees with a valid period from December 18, 2024 to December 17, 2025. Local language: 审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年12月的社会保险缴费单据显示工厂仅为7/46名员工提供了养老、失业、工伤、医疗和生育保险。工厂还为所有员工提供了周期为2024年12月18日至2025年12月17日的商业保险。

Description (carried over)

It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 7 out of 45 employees were provided with pension, unemployment, accident, medical, maternity insurance in January 2024. Remark: Factory provided all employees with commercial insurance valid from Dec 20, 2023 to Dec 19, 2024. 审核发现工厂的社会保险覆盖不足。根据厂方提供的[2024年, 1月]社会保险缴费单据显示工厂为7/45名员工提供养老、失业、工伤、医疗、生育保险。备注: 工厂为全部员工提供商业保险, 有效期为2023年12月20日到2024年12月19日。

Corrective and preventative actions

English: It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. Local language: 建议工厂为员工提供所有法定的社会保险福利。

Corrective and preventative actions (carried over)

It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。

Local law reference

In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers are entitled to, must be timely paid in full amount. 根据《中华人民共和国劳动法》第73条: 劳动者在下列情形下, 依法享受社会保险待遇: (一)退休; (二)患病、负伤; (三)因工伤残或者患职业病; (四)失业; (五)生育。劳动者死亡后, 其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。

Evidence

[NC-Insufficient social insurance-2.JPG](#)

[NC-Insufficient social insurance-1.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.



Non-compliance

Due 2024-03-22



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

Area of non-compliance/non-conformance

Local law

Description

English: It was noted that 20 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from February 2024, 10 samples from June 2024, and 10 samples from the most recent paid month November 2024) yielded the following: • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e., 66 hours) in June 2024, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e., 66 hours) in November 2024, which was not in compliance with the legal requirement.

Local language: 根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工时记录中抽取30个样本(其中从2024年2月抽取10个，从2024年6月抽取10个，从最近月份2024年11月抽取10个)，发现共有20名员工加班时间超出了法定标准，具体为：10/10名员工在2024年6月的加班时间为66小时，超过每月加班时间不能超过36小时的法律规定；10/10名员工在2024年11月的加班时间为66小时，超过每月加班时间不能超过36小时的法律规定。

Description (carried over)

It was noted that sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from March 2023, 10 samples from June 2023 and 10 samples from current month November 2023) yielded the following: • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 54 hours) in March 2023, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 58 to 60 hours) in June 2023, which was not in compliance with the legal requirement; • 10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 56 to 58 hours) in November 2023, which was not in compliance with the legal requirement. 根据厂方提供的工时记录，审核发现员工加班时间超出了法定标准。审核员从厂方提供的工资记录中抽取30个样本(其中从2023年3月抽取10个，从2023年6月抽取10个，从最近月份2023年11月抽取10个)，发现有员工加班时间超出了法定标准，具体为：• 10/10名员工在2023年3月的加班时间为54小时，超过每月加班时间不能超过36小时的法律规定；• 10/10名员工在2023年6月的加班时间为58到60小时，超过每月加班时间不能超过36小时的法律规定；• 10/10名员工在2023年11月的加班时间为56到58小时，超过每月加班时间不能超过36小时的法律规定。

Corrective and preventative actions

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

Local language: 建议工厂确保员工的加班时间符合法律要求。

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. 建议工厂 确保员工的加班时间符合法律要求。

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

## Evidence

[NC-Monthly overtime hours more than 36 hours.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**Non-compliance** Due 2025-02-12

## 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

332 - Sanitary facilities are inadequate to protect women's health, safety or privacy (e.g. lack menstrual hygiene facilities, or toilets not separated by gender)

## Area of non-compliance/non-conformance

Base code

## Description

English: It was noted that toilet paper, soap, and menstrual pads were not available in the toilet located at the production workshops of the production building.

Local language: 审核员发现工厂生产楼生产车间内的洗手间没有厕纸，香皂和女性卫生巾。

## Corrective and preventative actions

English: It is recommended that management adopt practices and controls to ensure that toilet paper, soap, and menstrual hygiene facilities are provided in the toilets located at the production workshops.

Local language: 建议工厂在生产车间的洗手间配备厕纸，香皂和女性卫生巾。

## Evidence

[NC-No toilet paper, soap or menstrual pads provided.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**Non-compliance** Due 2025-03-14

## 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.

## Issue title

232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect

## Description

English: It was noted that 1 out of 1 machine oil container being used in the production workshops of the production building was not posted with name label.

Local language: 审核员发现工厂生产楼生产车间内有1/1瓶机油没有张贴内容标签。

## Corrective and preventative actions

English: It is recommended that management adopt practices and controls to ensure that all machine oil containers stored or being used in the factory were posted with the name label.

Local language: 建议所有在工厂内储存和使用的机油容器都张贴有内容标签。

## Local law reference

English: In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed.

Local language: 根据《工作场所安全使用化学品规定》第14条: (1)使用单位购进的化学品需要转移或分装到其他容器时, 应标明其内容。对于危险化学品, 在转移或分装后的容器上应贴安全标签; (2)盛装危险化学品的容器在未净化处理前, 不得更换原安全标签。

## Evidence

[NC-No name label posted.JPG](#)

\* PDF generated at 11:18 (UTC) on 13 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

## Time given to resolve

60 days

## Verification method

Desktop audit

## Area of non-compliance/non-conformance


Local law

Base code

## 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
- ℹ 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>