

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:

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

2. Health & Safety Code Area:

- 3: Working Conditions are Safe and Hygienic

3. Environment Code Area:

- 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas

- As 2-pillar

2. Health & Safety Code Area

- As 2-pillar

3. Environment Code Area:

- 10.A: Environment 2-Pillar
- 10.B: Environment 4-Pillar

4. Business Ethics Code Area:

- 10.C: Business Ethics

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

Audit and site details

Audit details

Sedex company reference		Auditor company name	Extensive Standard Technical Services Co Ltd
Date of audit	2025-03-10	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	N
Site phone		Site email	

Audit parameters

Time in and out	Day 1		Day 2	
	In	08:30	In	08:00
	Out	17:30	Out	12:00
Audit type	Full initial			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	[REDACTED] / Vice General Manager			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

The semi-announced window of this audit is from March 10, 2025 to April 07, 2025.

Lead auditor

Steven Shi

APSCA Number

21705738

Additional auditor

Date of declaration

2025-03-11

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	[REDACTED]
Title	Vice General Manager
Date of declaration	2025-03-11

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§1	NC [REDACTED]
	3.M Ensure all machinery is installed, mainta...	§2	NC [REDACTED]
	3.E Provide and record health and safety trai...		NC [REDACTED]
	3.R Provide clean and secure toilets, wash ar...		NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§3	NC [REDACTED]

Local law issues

§1	Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.
§2	Code of Design of Manufacturing Equipment Safety and Hygiene (GB5083-1999) Article 6.1.6, 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.
§3	Regulations on the Control over Safety of Dangerous Chemicals, Article 20 The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moisture-proof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipment.

Management systems

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



Not addressed



Fundamental improvements required







Some improvements recommended



Robust management systems

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

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

Site details

Company and site details

Sedex company reference			
Sedex site reference			
Company name	CO LTD		
Business ownership type	GOODS		
Site name	CO LTD		
Site name in local language			
GPS location	GPS address		
		, China	
	Coordinates	Longitude:	Latitude:
Is the worksite in a remote location, far from habitation?	No		
Site contact	Contact name		
	Job title	Vice General Manager	
	Phone number		
	Email		
Applicable business and other legally required business license numbers and documents	1. Business License No. : Valid since October 20, 2004 to October 19, 2054. 2. Fire acceptance check certificates for all buildings: such as No.: issued on October 19, 2006. 3. Building structure acceptance check certificates for all buildings: such as issued on July 21, 2006. 4. Food Business License No. : Valid to May 18, 2027. 5. Special Equipment Registration Certificate: such as 6. Special Equipment Administrator Certificates: such as valid to February 2029.		

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of luggage, handbags and the like, saddlery and harness
	Secondary	
	Other	
Product type	Products: Bags. Process: Cutting-Sewing-Inspection-Packing.	
Process overview	Products: Bags. Process: Cutting-Sewing-Inspection-Packing. 4 Production Lines, main equipment used were cutting machines, sewing machines and etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	10513m ²	
Building 1	Last construction works on site	2006
	If building is shared, provide details	N/A
	Number of floors	2
	Description of floor activities	1F: Workshop and Warehouse 2F: Workshop and Warehouse

Site scope

Building 2	Last construction works on site	2007
	If building is shared, provide details	The audited factory shared one 5-storey building with another factory, which was [REDACTED] Co., Ltd. The audited factory rented out a part of the first floor to [REDACTED] Co., Ltd. for use as an embroidery workshop. Based on site observation, the evacuation stairs of both sides of the same production building were unblocked and the emergency lights and exit signs were effective in the same production building. According to management and employee interview, no worker mixed.
	Number of floors	5
	Description of floor activities	1F: Warehouse (used by audited factory), Workshop (used by [REDACTED] Co., Ltd.) 2F to 4F: Workshop 5F: Idle Area
Building 3	Last construction works on site	2007
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	1F: Dormitory 2F to 3F: Office
Building 4	Last construction works on site	2005
	If building is shared, provide details	N/A
	Number of floors	5
	Description of floor activities	1F: Canteen 2F to 5F: Dormitory
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All There were dormitories in the factory and all were included in this audit.
Do children also live in the accommodation?	No
Does the site organise worker transport to the worksite?	Not applicable There is no requirement by local law. No transportation was provided to workers by the site. (all employees live in dormitories or near the site)

Work patterns

Approximate workers on site per month (% of peak)	January	95-100%	February	90-95%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	95-100%	December	95-100%
Is there any night 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 No, the site has not assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No No, no Human Rights Impact Assessment (HRIA) was ever conducted at this site.

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	23 (24.2%)	72 (75.8%)	- -	95 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	23 (24.2%)	72 (75.8%)	- -	95 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	14 (56%)	11 (44%)	- -	25 (26.3%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	14 (56%)	11 (44%)	- -	25 (26.3%)

* % of total workforce

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

Province, Province, Province, Province, Province, and Province.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 (100%)	0 (0%)	- -	1 (1.1%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

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

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	24%	76%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	23 (24.2%)	72 (75.8%)	- -	95 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	23 (24.2%)	72 (75.8%)	- -	95 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

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

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	3 (100%)	0 (0%)	- -	3
Supervisors or team leaders	0 (0%)	4 (100%)	- -	4
Administrative staff	7 (63.6%)	4 (36.4%)	- -	11

Worker interview summary

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

5, 1 group of 5 workers

Did workers understand the purpose of the audit?

Yes

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

Yes

Was there any indication that workers had been 'coached' in how they should respond to questions?

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) Nil. No worker complained anything during the interview.
What did the workers like the most about working at this site?	Hours worked, rest days or breaks Work atmosphere (e.g. treatment by supervisors) Pay Equal opportunities Job security
Additional comments	As reported, the work condition in the facility is great, and workers could raise concerns or complaints to the worker representative directly or to the top management through suggestion box. They are satisfied with timely payment of wages, a pleasant workplace, and cooperative management. In addition to these elements, the employees valued the chances for development and promotion inside the facility. The workplace offered consistent training programs and skill-development activities, enabling staff members to improve their professional talents and advance in their careers.
Attitude of workers' committee/union representatives	Their is no union present at the facility. The worker representative showed a cooperative attitude during the interview process. Based on the interview, the representative expressed their positive attitude to management and workplace. No any negative information was observed.
Attitude of managers	Management was positive, collaborative, and transparent throughout the audit. All necessary documentations have been provided and made available without restrictions. Auditor can visit all areas and interview with workers freely. At the closing meeting, auditor provided the company representative a general overview and then explained the strengths, weaknesses and non-compliance findings of company. And then management was active to correct the findings during this audit and hope to improve the management system concerning social responsibility.

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	2	4	-	6
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	2	4	-	6

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	2.0%	-	3.0%
Last full calendar year (2024)	0.0%	1.0%	-	1.0%
Previous full calendar year (2023)	1.0%	1.0%	-	2.0%

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

Rate of absenteeism (%)*

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

* 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

Accident records were kept in files, but no accidents occurred based on the accident records.

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

	Men	Women	Other	Total

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<div>1. The factory management was cooperative and opening in the audit, all requested validate this code section documents, interviewees and the facility itself are accessible, the auditor is provided with genuine and authentic records.</div> <div>2. The factory did not offer bribes or threaten the auditor, nor in any way induce the auditor to be dishonest.</div> <div>3. The factory provided an accurate site description and Sedex site profile declared prior to or during the audit.</div> <div>4. The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel.</div> <div>5. The facility has ensured accurate records are shown and audit has been conducted with full transparency and integrity. Evidence examined:</div> <div>1. Sedex SAQ.</div> <div>2. Code of Conduct.</div> <div>3. Appointment records.</div> <div>4. Complaint records.</div> <div>5. ETI management manual.</div> <div>6. Management and workers interview.</div>		

0. Enabling accurate assessment

Data points

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

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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on employment is freely chosen. Those procedures include no forced, bonded or involuntary prison labour, free to leave their employer after reasonable notice and etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The processes were clear, concrete and actionable. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. However, there is a lack of regular training to guarantee that the management meets the requisite standards. Therefore, Resources was considered Some Improvement Recommended.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. For example, based on workers interview, partial interviewees were not familiar with employment is freely chosen. Therefore, Communication and Training was considered Some Improvements Recommended.</p> <p>4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. No negative factors were found, and the factory had a positive action and achieved good results. There is no forced, bonded or involuntary prison labour found during this audit. The facility effectively monitored the procedures and took actions when needed. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

Current Systems:

1. The policy against forced labour is available.
2. All workers have signed employment contracts with the factory when they joined the company.
3. The personal files with the copy of ID papers of all workers were kept in the factory.
4. Workers are free to leave the workplace after work hours.
5. Workers are free to leave their employer upon written notice to the employer 30 days in advance in the probationary period, with no monetary penalties for leaving including withholding of bonuses already earned. The final salaries were provided to the departing workers on their last day.
6. No lodging of deposit or workers' ID cards was found during this audit.
7. There is no forced, bonded or involuntary prison labour found during this audit.

Evidence examined:

1. Factory Policy and Procedure.
2. Personnel files.
3. Resignation records and leave records.
4. Employee handbook.
5. Management and worker interviews.
6. Employment contracts and recruitment forms of selected workers.
7. Resignation application forms and records, payment records of final salary.
8. Factory tour.

1. Employment is freely chosen

Data points

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

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on Responsible recruitment and entitlement to work. Those procedures include applicant qualification examination, inspection record keeping, prohibition of recruitment fees, etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The processes were clear, concrete and actionable. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. However, there were no written job descriptions and job requirements of responsible for human resources management in the factory procedure documents. Therefore, Resources was considered Some Improvement Recommended.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. However, not all workers were trained on recruitment costs. Therefore, Communication & Training was considered Some Improvement Recommended.</p> <p>4. Monitoring: The facility continuously assesses the effectiveness of Responsible recruitment and entitlement to work procedures via regular monitoring and internal audits and takes proactive measures in response to non- compliances. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. There were omissions in the monitoring of the recruitment process, such as the failure to follow up and survey the workers already on board to confirm that the recruitment process was carried out completely and accurately. Therefore, Monitoring was considered Some Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none">1. All workers in the factory were Chinese. All workers had the proper legal rights to work in this region. The youngest age was 24 years old. All of them were recruited directly by the factory and no agency was involved in factory's recruitment processes. No agency staff or foreign worker was used by the factory.2. The factory recruited the new workers by the advertisements or the employees' recommendation.3. All workers would be reviewed and validated the original documentation before they employed.4. Based on document review, employee and management interview, all employees were recruited directly by the factory, and employees did not have to pay any recruitment related fees. <p>Evidence examined:</p> <ol style="list-style-type: none">1. Labour contract.2. Personnel files.3. Hiring procedure.4. Worker handbook.5. Management and workers' 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	26%
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, Province, Province, Province, Province and 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

Employees were recruited directly by the factory, and employees did not have to pay any recruitment related 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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on Freedom of association and collective bargaining. Those procedures include freedom of assembly, right to collective bargaining, free election of workers' representatives, etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The processes were clear, concrete and actionable. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. However, oversights in the management structure had not led to NCs but were likely to do so in the future. For example, whether staff representatives have sufficient time and space to carry out their functions was not adequately guaranteed. Therefore, Resources was considered Some Improvement Recommended.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. For example, based on workers interview, partial interviewees did not know who the workers' representatives were. Therefore, Communication and Training was considered Some Improvements Recommended.</p> <p>4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. No negative factors were found, and the factory had a positive action and achieved good results. There was a worker committee with two freely selected representatives in the facility. The worker representatives conducted meetings regularly. The facility effectively monitored the procedures and took actions when needed. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China. 2. Based on documents review, the factory had established a Worker Committee Management Procedure. It was identified that employee representatives could be elected by employees freely. 3. The procedure and meeting records showed that the committee communicated with the factory management quarterly. And relevant records were kept by the factory. 4. All interviewees confirmed that they could raise their complaints to the worker representatives or through suggestion box. 5. There was no trade union at the site, but workers had the right to join a union if they wish. The factory did not hinder workers to join any legal associations per workers' interview. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Freedom of Association Policy. 2. Selection procedure and records. 3. Meeting records of worker committee meetings. 4. Complaint & handling records. 5. Interview with workers, worker's committee members and managers. 6. Factory tour. 		

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	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on employment is freely chosen. Those procedures include fire safety, occupational health and safety, electrical safety, equipment safety, emergency management and other aspects. However, no details were addressed in a documented policy/procedure and this was likely to lead to NCs. For example, site management practices regarding the safety devices were not spelled out in the procedure documents. Therefore, Policies & Procedures was considered Some Improvement Recommended.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. The members of Health and Safety Committee and supervisors of each department would attend quarterly meeting and address H&S concerns and provide updates. However, the responsibilities for safety devices management were not clearly defined. Therefore, Resources was considered Some Improvement Recommended.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. For example, there is no documented process in place to ensure that all new starters in these roles receive the training in a timely manner. Therefore, Communication & Training was considered Some Improvement Recommended.</p> <p>4. Monitoring: The factory continuously assesses the effectiveness of these procedures via regular monitoring and internal audits and takes proactive measures in response to non compliances. However, failure in monitoring system had led to systemic NCs, for example, no needle guards were installed for about 15% sewing machines at the sewing workshop and etc. Therefore, Monitoring was considered Fundamental Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§1	NC [REDACTED]
	3.M Ensure all machinery is installed, mainta...	§2	NC [REDACTED]
	3.E Provide and record health and safety trai...		NC [REDACTED]
	3.R Provide clean and secure toilets, wash ar...		NC [REDACTED]
	3.N Maintain a log of all hazardous substance...	§3	NC [REDACTED]

Systems and evidence examined to validate this code section

Current Systems:

1. The factory had established a health and safety policy. A health and safety committee were established in the factory.
2. [REDACTED] / Vice General Manager was the representative of health and safety management system.
3. Fire-fighting facilities were equipped in the factory.
4. Examination records of fire-fighting equipment were available on site. It was identified that all firefighting equipment were checked by Safety Officer monthly.
5. Fire drill records with photos showed that the factory conducted fire drill twice per year in the factory. The latest fire drill was conducted on October 04, 2024.
6. There was 1 electrician in the factory. The certificate was provided by the factory for review during the audit.
7. Accident records were kept and provided for review. It was identified that no significant accident occurred in the factory. For any accident, the factory had conducted root cause analysis / corrective actions / preventive actions.
8. There were at least two exits at each floor in the factory.
9. Base on observation on site, the factory buildings were secure.
10. PPEs were provided to workers free of charge.
11. Adequate first aid kits were equipped on site.
12. Base on observation on site, the lighting was acceptable in each workshop.
13. Adequate and sanitary toilets were provided in the factory.
14. Base on observation on site, potable water was provided for workers at each workshop. Based on workers interview, they could access the potable water freely during working time.

Evidence examined:

1. Health and safety policy.
2. Training records and certificates.
3. Fire equipment maintenance records.
4. Fire drill records.
5. Building structure safety certificates and fire safety certificates.
6. Accident records.
7. Chemical list and MSDS for each chemical.
8. Management and workers' interview.
9. Factory tour.

Findings: non-compliances



Non-compliance

Due 2025-05-13

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

60 days

Verification method

Desktop audit

Issue title

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

Area of non-compliance/non-conformance

Local law

Base code

Description

Base onsite observation, it was found that about 15% of the factory's materials stored in the raw material warehouse were stacked against the wall, which did not meet the regulatory requirements.

现场观察发现，工厂原材料仓库储存的物料约有15%靠墙堆放，不符合法规要求。

Corrective and preventative actions

It is recommended that the factory ensure that all materials are at least 0.5 meters away from the wall as required by law.

建议工厂确保所有物料离墙距离符合法规要求的至少0.5米。

Local law reference

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

Evidence



[Materials stacked against wall.JPG](#)



* PDF generated at 09:22 (UTC) on 14 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.



Non-compliance

Due 2025-04-13

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

Based on site observation, it was noted that no needle guards were installed for about 15% sewing machines at the sewing workshop in the factory.

根据现场观察，发现工厂缝纫车间约15%的缝纫机没有安装护针器。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with needle guards.

建议企业管理层采取管控措施确保为所有的缝纫机都安装了护针器。

Local law reference

Code of Design of Manufacturing Equipment Safety and Hygiene (GB5083-1999) Article 6.1.6, The exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw, and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices.

Evidence



[No finger guard for sewing machine.JPG](#)



* PDF generated at 09:22 (UTC) on 14 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance




Due 2025-05-13




Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement 3.E Provide and record health and safety training to all new workers, prior to exposure to risks. Provide continued training to existing workers, as appropriate for the hazards and levels of risk identified.		Time given to resolve 60 days
Issue title 164 - No/inadequate health and safety training provided to workers in relation to processes (including handling hazardous substances e.g. chemicals and pesticides) unlikely to cause serious injury or death - isolated		Verification method Desktop audit
Description Based onsite observation, workers and management interview, it was noted that no relevant contact information about first aiders was posted on site and the workers also did not know the information well. 根据现场走访，员工和管理层访谈确认，审核员发现企业没有将急救员信息张贴在现场，而且员工也不了解相关信息。		Area of non-compliance/non-conformance Base code
Corrective and preventative actions It was recommended that management should adopt practices and controls to ensure that post relevant contact information about first aiders on site and communicate contact information of first aiders to employees effectively. 建议企业管理层采取管控措施确保将急救员的联系信息张贴在现场并将急救员的信息有效的传达给员工。		
Evidence 		
Information of first aiders was missing.JPG 		
* PDF generated at 09:22 (UTC) on 14 Mar 2025. View this finding on the Sedex platform for live updates and closure details.		
		Non-compliance Due 2025-05-13
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 60 days
Issue title 330 - Sanitary facilities are insufficient for the size of the site (e.g. the number of toilets or hand basins is insufficient for the number of workers)		Verification method Desktop audit
Description Based on site observation, it was noted that there was no toilet paper and soap in the toilets of the production workshop. 根据现场观察，发现工厂生产车间的洗手间均未放置厕纸和肥皂。		Area of non-compliance/non-conformance Base code
Corrective and preventative actions It is recommended that the factory should provide the soap and toilet paper in the toilets. 建议工厂应该在卫生间内放置肥皂和厕纸。		
Evidence 		
Toilet missing toilet paper and soap.JPG 		
* PDF generated at 09:22 (UTC) on 14 Mar 2025. View this finding on the Sedex platform for live updates and closure details.		
		Non-compliance Due 2025-04-13
Code area 3 Working conditions are safe and hygienic		Status Open*

Workplace requirement

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

Issue title

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

Description

Based onsite observation, it was noted that the 1 bottle of lubricating oil being used and stored in the sewing workshop were not equipped with secondary containers.

通过现场走访确认，发现缝纫车间存储使用的1瓶润滑油没有配备二次容器。

Corrective and preventative actions

It is recommended that the factory should equip the secondary containers to all chemicals in the factory.

建议工厂给所有化学品设置有效的二次容器。

Local law reference

Regulations on the Control over Safety of Dangerous Chemicals, Article 20 The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipment for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, firefighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moisture-proof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipment.

Evidence



[Chemical missing secondary container.JPG](#) 

* PDF generated at 09:22 (UTC) on 14 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

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

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on prohibiting child labour. Those procedures include Child Labour Prevention, Remediation Policy, Age verification, Protection of underage workers, etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The processes were clear, concrete and actionable. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. The responsibilities in the management structure or resourcing were clear, and there were sufficient management and professional staff to take care of relevant matters. The Area grade was Robust.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. For example, based on workers interview, partial interviewees were not familiar with prohibiting child labour. Therefore, Communication and Training was considered Some Improvements Recommended.</p> <p>4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. No negative factors were found, and the factory had a positive action and achieved good results. There was no child labour and no young worker under 18 was employed at night or in hazardous conditions were identified during the audit. The facility effectively monitored the procedures and took actions when needed. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

Current Systems:

- 1.The factory had established policy and procedure on prohibiting child labour.
- 2.Based on recruiting instruction review, all applicants should write register sheets during recruiting, and all information identified in the register sheets should be verified. And HR staff should interview with applicants and check ID cards to verify ages.
- 3.Based on observation on site and workers interview, no child labour was identified during the audit.
- 4.No young worker under 18 was employed at night or in hazardous conditions.
- 5.Based on documents review, the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour was identified in the factory.
- 6.All policies concerning child labour and young workers conform to the provisions of the relevant ILO Standards.

Evidence examined:

1. Recruitment and resign management rules.
2. Employees' personal files / Employment registration / Roster.
3. Management and workers interview.
4. Prohibition of child labor and child labor remedial procedure.
5. Factory tour.

4. Child labour shall not be used

Data points

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

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on legal wages and benefits. Those procedures include salary payment, overtime pay, welfare benefits, vacation benefits, etc. However, oversights in policies and procedures had not led to an NC but were likely to do so in the future. For example, the rules of paying wage during stoppage of production were not clear in the procedural documents. Therefore, Policies & Procedures was considered Some Improvement Recommended.</p> <p>2. Resources: The facility had assigned skilled manager to be responsible for the implementation of the procedures on wages and benefit management. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear. There were sufficient management and professional staff to take care of relevant matters. And senior executives and department managers had the consciousness of wages and benefit management. The Area grade was Robust.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. However, there is no documented process in place to ensure that all new starters in these roles receive the training in a timely manner. Therefore, Communication & Training was considered Some Improvement Recommended.</p> <p>4. Monitoring: The facility monitored the procedures on wages and benefit management. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The factory has provided social insurances covered with pension, medical, maternity, unemployment and accident insurance for all employees (Rate: 100%) in February 2025. And 100% of workforce earning above minimum wage. However, the factory did not conduct a survey on the satisfaction of workers with the use of annual leave. Therefore, Monitoring was considered Some Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none">1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable.2. The factory kept and provided payroll records from February 2024 to January 2025 for review during the audit. All workers were paid by hourly-rated wages, and the local minimum wage standard was set at CNY 1960 per month equivalent to CNY 11.26 (1960/21.75/8) per hour since April 1, 2022.3. The company provided 150% of regular wage for weekday overtime work, 200% of regular wage for rest day overtime work, and no holiday work was found4. The wages were paid via bank transfer on or before the 30th of next month. Workers did not work overtime on statutory holidays.5. Based on factory rules review, if the factory rules were broken, relevant workers would be only warned or trained / educated without any monetary discipline.6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers.7. Based on workers and management interview, the factory provided detailed payslips to all workers when they received wages.8. The factory had total 98 employees (Including 24 retired employees, no new employees who recruited within 30 days, no temporary and dispatch employees). By review of the social insurance payment receipt provided by factory management, it was noted that the factory has provided social insurances covered with pension, medical, maternity, unemployment and accident insurance for all 74 employees in February 2025. In addition, the factory purchased a business group insurance for the 24 retired employees, the valid period was from 14 January 2025 to 13 January 2026.9. No deduction from workers' wages as a disciplinary measure was found during the audit based on document review and workers interview. <p>Evidence examined:</p> <ol style="list-style-type: none">1. Attendance records: February 2024 to audit day.2. Payrolls records: February 2024 to January 2025.3. Leave records.4. Social insurance and payment receipts from the local labour department.5. Labour contracts for all employees (to examine agreed wage rates).6. Resignation records.7. Workers' Payslips.8. Management and workers interview.9. Local regulations for minimum standard wage.10. Factory tour.		

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages are based on job skills and experience The legal minimum wage Wages meet a living wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker 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	168.0

Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	8.0
	Max hours per month	32.0
Minimum legal wage	Min per hour	11.26
	Min per day	90.08
	Min per week	Non applicable
	Min per month	1960.0
Actual minimum wage	Actual per hour	13.45
	Actual per day	107.6
	Actual per week	538.0
	Actual per month	2340.0
Minimum legal overtime wage	Min per hour	16.89
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	20.18
	Actual per day	40.36
	Actual per week	188.32
	Actual per month	753.09

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	<p>Monthly Wage:</p> <p>10 out of 10 samples from current month (January 2025, CNY [REDACTED]),</p> <p>10 out of 10 samples from random month (October 2024, CNY [REDACTED]),</p> <p>10 out of 10 samples from random month (April 2024, CNY [REDACTED]).</p>

Are there different legal minimum/ legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above minimum wage.
Are there any bonus schemes used?	Yes Full-attendance bonus (CNY 30)
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<div>Current Systems:</div> <div>1. The factory had calculated the local living wage and analyzed the gap between the worker's wage and the living wage. (Adopted Anker Methodology)</div> <div>2. The factory had developed a wage improvement plan (with Living Wage as the goal).</div> <div>Evidence examined:</div> <div>1. Local living wage documents.</div> <div>2. Wage improvement plan (with Living Wage as the goal).</div> <div>3. Management and workers interview.</div>		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: The facility has established policies and procedures on working hours. Those procedures include including working hours, voluntary overtime, overtime pay, personal leave and vacation etc. And there was a clear procedure for updating documentation according to changing requirements or situations. However, the management of the continuous rest time of workers in the procedure document was lacking in enforceable details. Therefore, Policies & Procedures was considered Some Improvement Recommended.</p> <p>2. Resources: There is a skilled manager responsible for ensuring its implementation, resourcing, approval and regular review of the site policies. He had sufficient authority to ensure that procedures were carried out. The responsibilities in the management structure or resourcing were clear, and there were sufficient management and professional staff to take care of relevant matters. The Area grade was Robust.</p> <p>3. Communication & Training: The facility had developed an annual training plan, trained employees according to the plan and the training records were provided for review, however, they had not evaluated the effectiveness of employee training. For example, based on workers interview, partial interviewees were not familiar with the requirement of monthly overtime hours. Therefore, Communication and Training was considered Some Improvements Recommended.</p> <p>4. Monitoring: Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. No negative factors were found, and the factory had a positive action and achieved good results. The monthly overtime hours within legal requirements of 36 hours. The facility effectively monitored the procedures and took actions when needed. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

- Current Systems:
- 1. The normal working hour system of 8 hours a day, 40 hours a week was carried out in the factory.
 - 2. The attendance records showed that workers worked overtime on Workdays or Saturdays contingently and rested on Sundays fixed.
 - 3. The factory kept and provided attendance records from February 2024 to the audit day for review during the audit.
 - 4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours overtime working), 48 hours (including 8 hours' overtime working) and 32 hours respectively.
 - 5. Based on attendance records review, all workers had enjoyed one day off per week.
 - 6. Based on observation on site, the factory adopted biometrical attendance recording system to record employees' working hours.
 - 7. Through workers' interview, overtime is voluntary.
- Evidence examined:
- 1. Working hour policies.
 - 2. Working time records from February 2024 to the audit day.
 - 3. Workers' contracts.
 - 4. Quality records and production records to cross-check working hours.
 - 5. Management and worker interview.
 - 6. Factory tour.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A. Workers were paid per legal requirement. Based on the provided attendance records and payroll records review, workers were paid 150% of normal wage rate for Weekday overtime; 200% of normal wage rate for Weekend overtime; no Statutory Holiday working.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	48.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	48.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on Non-discrimination were established and appropriate for the site context, including anti-discrimination, anti-harassment, fairness mechanisms, appeals and complaints, etc. And there was a clear procedure for updating documentation according to changing requirements or situations. These Policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources Senior executives and department managers had the consciousness of Nondiscrimination, and there were clear responsible persons in every link to carry out relevant procedures. The facility had assigned skilled manager to be responsible for the implementation of the procedures on Non-discrimination, and the individual had sufficient authority to ensure that procedures were carried out. The Area grade was Robust.</p> <p>3. Communication & Training The trainings on non-discrimination were conducted by qualified managers, and training content was updated according to need. The policy and procedure were trained and communicated to workers annually, including managers and supervisors. However, oversights in how the training and communication programmed is managed had not led to an NC, but were likely to do so in the future. For example, training on discrimination and unequal treatment risks assessment did not reach all managers. Therefore, Resources was considered Some Improvement Recommended.</p> <p>4. Monitoring The facility effectively monitored the procedures on non-discrimination and took actions when needed. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

Current Systems:

1. According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
2. There was no negative evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement found.
3. Anti-discrimination procedure was available.
4. No worker was required to do the examination of the hepatitis B virus and HIV.
5. All workers were paid based on the skill performance and position.
6. The factory have a dedicated equity approach in recruitment, training, development and promotion processes.

Evidence examined:

1. Employee handbook, the hiring and termination procedure.
2. Leave application and termination records.
3. Attendance and payroll records.
4. Training records.
5. Equity approach procedure.
6. Management and worker interview.

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	76%
Representation of women in managerial roles (ratio of women workers to women managers)	0%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	5%
Three most common nationalities in managerial and supervisory roles	Chinese

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on Regular employment were established and appropriate for the site context, including labor contract management, contract termination management, dismissal management, disciplinary rules, etc. The relevant rules were fair, reasonable and met law requirements. These policies and procedures were clear, executable, and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on Regular employment, and the individual had sufficient authority to ensure that procedures were carried out. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing. For example, those responsible for labor contract management were not clearly assigned their responsibilities in writing. Therefore, Resources was considered Some Improvement Recommended.</p> <p>3. Communication & Training The policy and procedure on Regular employment was trained and communicated to workers annually, including managers and supervisors, and there was general awareness of it amongst staff interviewed. The trainings were conducted by qualified managers according to the training program, and training effects had been measured and confirmed. The training content was updated according to need. The Area grade was Robust.</p> <p>4. Monitoring Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility effectively monitored the procedures on Regular employment and took actions when needed. There was not any negative or negative effect in practice. The factory signed standard labor contracts with all the workers in a timely manner. The termination of the labor contract also meets the requirements of the law. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. All workers have signed employment contracts with the factory within one month of entering the factory. A copy of signed employment contract was provided to every new worker. 2. The factory had documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements. 3. Work performed was on the basis of recognized employment relationship established through national law and practice. 4. HR director took charge of the entire recruitment process. The relevant HR personnel have been trained. They have full understanding of the entire recruitment process. 5. No homework was arranged. No apprenticeship schemes were practiced in this factory. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Factory Policy and Procedures. 2. Personnel files. 3. Resignation records and leave records. 4. Employee handbook. 5. Management and worker interviews. 6. Factory tour. 		

8. Regular employment is provided

Data points

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

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on sub-contracting and homeworkers were established and appropriate for the site context, including subcontractor and supplier management, prohibition of the use of homeworkers, production capacity calculation, customer contract management, etc. The policies and procedures were reviewed annually and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on sub-contracting and homeworkers. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. Appropriate training had been provided to the relevant managers and candidates were available for the relevant responsibilities. The Area grade was Robust.</p> <p>3. Communication & Training The policy and procedure on sub-contracting and homeworkers was trained and communicated to workers annually, including managers and supervisor. The trainings were conducted by qualified managers and was updated according to need. However, oversights in how the training and communication programmed is managed had not led to an NC, but were likely to do so in the future. For example, a few management personnel were not trained on the control of homeworking and sub-contracted work. Therefore, Resources was considered Some Improvement Recommended.</p> <p>4. Monitoring Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility monitored the procedures and took actions when needed. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, workers' understanding of sub contracting and homeworkers had not been surveyed. Therefore, Resources was considered Some Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none">1. The supplier control policy was established in the factory.2. It was verified through supplier control policy review, factory tour, management interview and workers interview that no home-working and sub-contracting was used by this factory.3. A site tour showed that all production processes were present in the unit.4. The factory did not use subcontractor. <p>Evidence examined:</p> <ol style="list-style-type: none">1. Supplier control policy.2. Supplier assessment records.3. Factory tour (Calculation on total production and estimated capacity).4. Materials in/out records.5. Management and workers' interview.		

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

Data points

Are homeworkers employed directly or engaged through an agent?	Not applicable
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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?	<p>No</p> <p>All suppliers had signed agreements not to use homeworkers. And the factory had assessed its suppliers.</p>
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Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	<p>No</p> <p>There was not any concern. The production capacity of the factory could meet the normal production demand. Based on site tour, document review, worker and management interview, no subcontractor was found in the factory during the audit.</p>
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Are any sub-contractors used?	No
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9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on No harsh or inhumane treatment were established and appropriate for the site context, including non-abuse, no-harass, appeal and complaint, etc. The factory management established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and had developed a training program for all employees on the procedure. The policies and procedures were reviewed annually and led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on No harsh or inhumane treatment. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. Appropriate training had been provided to the relevant managers and candidates were available for the relevant responsibilities. The Area grade was Robust.</p> <p>3. Communication & Training The facility provided effective training and communication on No harsh or inhumane treatment procedure to all relevant workers, including managers and supervisors. The trainings were conducted by qualified managers according to the training program, and the training content was updated according to need. Effective assessment of understanding of those receiving training was conducted. The Area grade was Robust.</p> <p>4. Monitoring Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility monitored the procedures and took actions when needed. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, the factory did not assess worker satisfaction with the grievance mechanism. Therefore, Resources was considered Some Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The factory has established a policy on prevention of harassment and inhumane treatment. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 2. The factory has provided training on fair treatment for all managers and workers. Interview with management and workers confirmed that they were aware of the policy, and there was no evidence of any physical abuse, threat of physical abuse, sexual abuse or harassment. 3. The factory has established a disciplinary procedure for workers' misbehavior which includes oral warning, written warning and dismissal. 4. The factory has developed a training program about disciplinary procedure for all workers. Worker interview confirmed that all workers were aware of the disciplinary punishment system. 5. There is an internal process for grievance such as a complaint box where workers can report any grievances (harassment, bullying, discrimination etc.). All received complaints were handled by management, without any reprisal for the worker in question. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. The relevant policy on prevention of harassment and abuse. 2. Internal grievance procedure documentation and disciplinary procedure. 3. Training records. 4. Management and workers' interview. 5. Factory tour. 		

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers
What type of grievance mechanism(s) are available?	There was an internal process for grievance, which was an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.
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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on Environment management were established and appropriate for the site context, including environmental regulation acquisition and update, energy conservation and emission reduction, identification of customer environmental requirements, etc. The policies were reviewed annually by management representatives and adjusted according to actual circumstances or regulatory requirements. The processes were clear, concrete and actionable. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on Environment management. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. Appropriate training had been provided to the relevant managers and candidates were available for the relevant responsibilities. The Area grade was Robust.</p> <p>3. Communication & Training The policy and procedure on Environment management was trained and communicated to workers annually, and the training content was updated according to need. The trainings were conducted by qualified managers. however, they had not evaluated the effectiveness of employee training. For example, there is no documented process in place to ensure that all new starters in these roles receive the training in a timely manner. Therefore, Communication & Training was considered Some Improvement Recommended.</p> <p>4. Monitoring The factory assesses the effectiveness of environment management procedures via regular monitoring and internal audits. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. However, oversights in the monitoring systems had not led to NCs but were likely to do so in the future. For example, the factory did not survey worker satisfaction and opinions on energy conservation and emission reduction actions. Therefore, Resources was considered Some Improvement Recommended.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none">1. The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations.2. All legally required certificates including the registration form of environmental impacts of the construction were available and valid during this audit.3. Based on observation on site, wastes were classified and collected on site.4. Based on worker's interview, they were trained on environmental protection.5. The factory established environment policy including environment emergency action procedures, relevant procedure and carried out environment management system. <p>Evidence examined:</p> <ol style="list-style-type: none">1. Environment policy & procedure.2. All legally required environmental documents.3. Management interview and worker interviews.4. Factory tour.		

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The site did not have a recognised environmental system certification such as ISO 14000 or equivalent.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The factory identified and monitored potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations. 2. Policies communicated to all employees and processes well, which endorsed at the highest level, that includes commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders. 3. The factory established resource-use targets and a plan to reach them. 4. The factory had recorded energy use, water use, solid waste, material use, hazardous substance use and waste, and effluent discharge. 5. The factory had monitored and mitigated the site's impacts on biodiversity. 6. The IPE records showed that the factory was not fined from local environment department. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. All legally required environmental documents were provided for review. 2. Environmental policy and training records. 3. Resource-use targets and a plan. 4. Energy bills, Water bill, waste discharge records. 5. Environment biodiversity impact report. 6. Factory tour. 		

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?	Responsible use and management of water Biodiversity and eco system impact management Prioritising local suppliers
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory had set up the system to manage client's requirements.
Does the site have reduction targets in place to manage climate related risks?	Yes, other climate-related target
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes Water consumption and discharge: the site has set the reduction target by 5% in 1 year (2024-2025). Energy: the site has set the reduction target by 5% in 1 year (2024-2025). Photovoltaic plant will be installed gradually to save the energy
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	277,099	205,000
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None

Types of renewable energy used	Other (provide details) No renewable energy used	Other (provide details) No renewable energy used
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Petrol: 2746.36 L	Petrol: 2619.95 L
Has the site completed any carbon footprint analysis?	No	No
Water sources	Local water authority	Local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	45,357	48,102
Water discharged	Surface water	Surface water
Water volume discharged (m3)	40,130	40,886
Water volume recycled (m3)	0	0
Total waste produced (mt)	13.3	14.5
Total hazardous waste produced (mt)	0.2	0.4
Waste to recycling (mt)	8.8	9.6
Waste to landfill (mt)	3	3.1
Waste to other (mt)	1.3	1.4
Total product produced (mt)	137.1	150.5

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. Policies & Procedures: Policies and procedures on Business ethics were established and appropriate for the site context, anti-bribery & anti-corruption, complaints & reports, privacy protection, etc. These were clear, executable, and updated according to changing requirements or situations. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. The Area grade was Robust.</p> <p>2. Resources The facility had assigned skilled manager to be responsible for the implementation of the procedures on Business ethics. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. Appropriate training had been provided to the relevant managers and candidates were available for the relevant responsibilities. The Area grade was Robust.</p> <p>3. Communication & Training The facility provided effective training and communication on business ethics management to relevant workers, including managers and supervisors. The trainings were conducted by qualified managers according and the training content was updated according to need. However, oversights in how the training and communication programme is managed had not led to an NC, but were likely to do so in the future. For example, the new joined personnel were not trained in time on the business ethical behavior. Therefore, Resources was considered Some Improvement Recommended.</p> <p>4. Monitoring The facility effectively monitored the procedures and took actions when needed. In the implementation of business ethics, the factory had a positive action and achieved good results. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The factory had collected relevant laws and regulations and formulated policies on business ethics. Reporting channels, supervision and complaint methods had been trained for all workers. There was not any negative or adverse finding. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. The Area grade was Robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The facility conducted their business ethically and no bribery, corruption or fraudulent business practice was found during the audit. The facility management has received, signed, stamped and complied with the audit company's written business ethics documents during the audit. 2. The facility has collected legal laws about business ethics and end clients' business ethics standards and met the legal requirement related to bribery, corruption, or any type of fraudulent Business Practices and their end clients' business ethics standards. 3. The facility complied with all fiscal legislative requirements and all fiscal documents and data such as income, expense and profit data, were submitted and verified by the local government regularly. 4. A public complaint box was provided to all workers for reporting anything concerning unethical Business Ethics. 5. The company has established a business ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice. 6. Training on ethics were provided to all new workers and the key staffs such as sales, purchasing and logistics. 7. The facility has communicated their business ethics to their major suppliers. The commitment letters from suppliers were provided for review. 8. The facility has not been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations according to the local government websites and interviews with management. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Anti-bribery and anti-corruption policy and procedure. 2. Anti-bribery agreement signed between suppliers and factory. 3. Anti-bribery agreement signed between employees and factory. 4. List of laws and regulations related to business ethics. 5. Communication records with suppliers. 6. Training records. 7. Management and worker interview. 		

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	N/A. There was no certified anti-bribery Management Systems.

Attachments



[Factory Gate.JPG](#)



[Factory Name.JPG](#)



[Office & Dormitory Building.JPG](#)



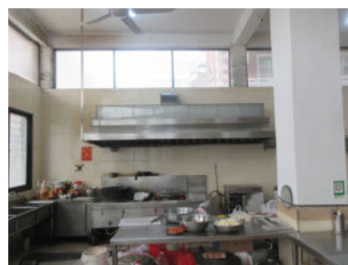
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[Production Building 2.JPG](#)



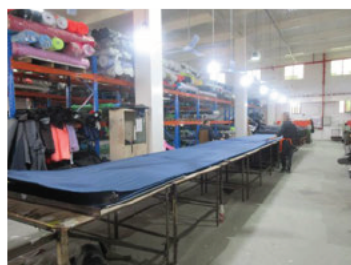
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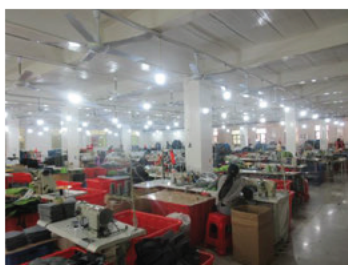
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[Inspection.JPG](#)



[Packing.JPG](#)



[Finished Product Warehouse.JPG](#)



[Evacuation Plan.JPG](#)



[Exit Sign and Emergency Light.JPG](#)



[Fire Alarm.JPG](#)





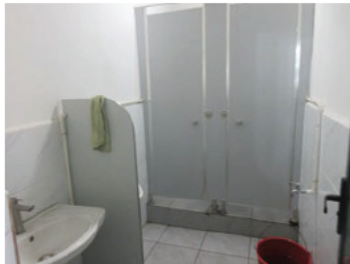
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