SMETA powered by Sedex

Sedex Members Ethical Trade Audit Report

Version 7

Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS407365711	**Site name**	Shantou Xinnishi Underwear Factory
Business name	Shantou Xinnishi Underwear Factory	**Site address**	West Side Of Middle Section Of Guantian Road, Part Of Raozhong Road, Gurao Town, Chaoyang District, Shantou. GuangDong,China 广东省汕头市潮阳区谷饶镇饶中路官田路段西侧 Shantou CN 515000

Audit details

Sedex company reference	ZC407339969	**Auditor company name**	TUV SUD China
Audit company address	No. 88, Heng Tong Road, Shanghai, CN, Shanghai 200 070		
Date of audit	2026-06-16	**Audit conducted by**	Richard Huang
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out	Day 1		Day 2	
	In	08:53	In	08:04
	Out	17:24	Out	12:05

Audit type	Full initial

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Findings →

Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Zhang Zhixiong / Business 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 is no trade union at the site.		
Reason for absence during the audit	There is no trade union at the site.		
Reason for absence at the closing meeting	There is no trade union at the site.		

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Findings →

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)	Semi-announced (window: Jun 8, 2026 - Jul 6, 2026)

Lead auditor	Richard Huang	**APSCA Number**	21700763
Additional auditor			
Date of declaration	2026-06-17		

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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	Zhang Zhixiong
Title	Business Manager
Date of declaration	2026-06-17

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Findings →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601487371
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF601487373
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601487372
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601487370
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601487369

Management systems

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

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← Summary of findings

Site details →

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly	✓	✓	ⓘ	✓
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

← Summary of findings

Site details →

Site details

Company and site details

Sedex company reference	ZC407339969	
Sedex site reference	ZS407365711	
Company name	Shantou Xinnishi Underwear Factory	
Business ownership type	GOODS	
Site name	Shantou Xinnishi Underwear Factory	
Site name in local language	汕头市潮阳区欣尼诗针织内衣厂	
GPS location	**GPS address**	West Side Of Middle Section Of Guantian Road, Part Of Raozhong Road, Gurao Town, Chaoyang District, Shantou, Guangdong, China
	Coordinates	23°21′57″ N, 116°25′2″ E
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Mr. Zhang Zhixiong
	Job title	Business Manager
	Phone number	0754-87642266
	Email	xinnnishi@vip.126.com

← Management systems

Worker analysis →

Company and site details

Applicable business and other legally required business license numbers and documents	1. Business license number: 914405135882688675; Valid from Dec 20, 2011 to long-term. 2. Fire permit: Shangongxiaoyan[2012]diA4hao; Shangongxiaoyan[2012]diA6hao. 3. Building completion acceptance: issued on August 30, 2010. 4. Electrician certificate: valid from October 24, 2024 to October 23, 2030. 5. Discharge registration of stationary pollution source number: 914405135882688675001Z; valid from May 27, 2025 to May 26, 2030. 6. Elevator inspection report number: BTC-D02513590, valid to July 22, 2026 7. Special equipment management personnel license: 4405***4618 valid from May 15, 2024 to May 14, 2028 8. Safe production management personnel license number: 4405****4618, valid from May 28, 2024 to May 27, 2027 9.Catering service license: JY14405130007312, valid from May 22, 2024 to May 21, 2029.

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	underwear	
Process overview	The product is underwear. The main production operations are weaving, cutting, sewing, ironing, inspection and packing. The main equipment used are sewing machine (100 sets), ironing equipment (110 sets), weaving machine (6 sets), etc. There is one production line.	
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?	No The auditee occupies the first to 6th floors of the 9-level production building and the 1st and 2nd floors of one 6-level office building. The mezzanie between 1st floor and 2nd floor of the production building and the 7th floor are now used by the other factory. The 3rd to 6th floors of the office building are used by the landlord.

← Site details

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2010
	If building is shared, provide details	The auditee occupies the first to 6th floors of the 9-level production building. The mezzanie between 1st floor and 2nd floor of the production building and the 7th floor are now used by the other factory. The 8th and 9th floors are used by the landlord.
	Number of floors	9
	Description of floor activities	8F-9F: used by the landlord. It was locked on the day of assessment. 7F: It is used by one bra factory. It obtains business license, but cannot match the current location. It moved to current site in January 2026. 6F: Weaving workshop 5F: Cutting workshop 4F: Sewing workshop 3F: Sewing workshop 2F: Packing workshop and finished goods storage area 1F: Material warehouse, kitchen and canteen
Building 2	**Last construction works on site**	2010
	If building is shared, provide details	The auditee occupies the 1st and 2nd floors of the 6-level office building. The 3rd to 6th floors of the office building are used by the landlord.
	Number of floors	6
	Description of floor activities	3F-6F: used by the landlord. It was locked on the day of assessment. 1F-2F: Office of the auditee.

← Site details

Worker analysis →

Site scope

Is there any difference between the site scope of the audit and the Sedex site profile?	No
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No
Is any activity conducted onsite not included within the scope of the audit?	No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided There is no legal requirement that the site must provide transport to the workers.

Work patterns

Approximate workers on site per month (% of peak)	**January**	90-100%	**February**	90-100%
	March	90-100%	**April**	90-100%
	May	90-100%	**June**	90-100%
	July	90-100%	**August**	90-100%
	September	90-100%	**October**	90-100%
	November	90-100%	**December**	90-100%

← Site details

Worker analysis →

Work patterns

Is there any night shift work at the site?	No

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	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.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men		Women		Other		Total	
Number of workers	32	(36.4%)	56	(63.6%)	-	-	88	(100%)

Workers by type

	Men		Women		Other		Total	
Permanent workers (employees)	32	(36.4%)	56	(63.6%)	-	-	88	(100%)
Temporary or fixed term employees	0	-	0	-	-	-	0	(0%)
Agency or subcontracted workers	0	-	0	-	-	-	0	(0%)
Seasonal workers	0	-	0	-	-	-	0	(0%)
Self-employed workers	0	-	0	-	-	-	0	(0%)
Informal workers including home workers	0	-	0	-	-	-	0	(0%)
Apprentices, trainees or interns	0	-	0	-	-	-	0	(0%)

* % of total workforce

← Site details

Worker interviews →

Migrant workers

	Men		Women		Other		Total	
Domestic migrant workers	8	*(29.6%)*	19	*(70.4%)*	-	-	27	*(30.7%)*
International migrant workers	0	-	0	-	-	-	0	*(0%)*
Total migrant workers	8	*(29.6%)*	19	*(70.4%)*	-	-	27	*(30.7%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	Fujian, Hu'nan, Sichuan

Workers by age

	Men		Women		Other		Total	
18 - 24 years old	3	*(37.5%)*	5	*(62.5%)*	-	-	8	*(9.1%)*
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	The site representative stated that they were in operation keeping normal capacity in each month for there is stable orders. The factory did not have obvious peak and low season in the past one year.
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	36%	64%	-	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	32 *(36.4%)*	56 *(63.6%)*	- -	88 *(100%)*
Salaried workers	0 -	0 -	- -	0 *(0%)*

* % of total workforce

← Worker analysis

Worker interviews →

Workers by payment cycle

	Men		Women		Other		Total	
Paid daily	0	-	0	-	-	-	0	*(0%)*
Paid weekly	0	-	0	-	-	-	0	*(0%)*
Paid monthly	32	*(36.4%)*	56	*(63.6%)*	-	-	88	*(100%)*
Other	0	-	0	-	-	-	0	*(0%)*

* % of total workforce

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

People in managerial, supervisorial and administrative roles

	Men		Women		Other		Total
Employees in management positions	1	*(50%)*	1	*(50%)*	-	-	2
Supervisors or team leaders	1	*(33.3%)*	2	*(66.7%)*	-	-	3
Administrative staff	1	*(33.3%)*	2	*(66.7%)*	-	-	3

Worker interview summary

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?	
Was the interview sample representative of all types of nationality and employment types of workers?	Yes
Was the interview sample representative of the gender composition of the workforce?	Yes
Number and size of group interviews	1 group of 5 workers
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes

← Worker analysis
Measuring workplace impact →

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

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) They state that they are satisfactory with the working conditions here and no concerns are raised.
What did the workers like the most about working at this site?	Equal opportunities Freedom of movement Hours worked, rest days or breaks Overtime Pay Training and development Work atmosphere (e.g. treatment by supervisors)
Additional comments	As reported, the working condition at the factory is satisfactory, and workers could raise concerns or complaints to the worker representatives, or to top management, or via suggestion box. They are satisfied with timely payment of wages, a pleasant workplace, and cooperative management. In addition, the employees valued the chances for development and promotion at the facility. The factory offers 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	Worker representative stated that the management team at the factory was kind to them; they are satisfied with the conditions of the factory and did not have complaints to the factory. No union at the factory.
Attitude of managers	The factory management were present during the audit. They offered assistance to complete the audit including factory tour, document review, workers and management interview. And they stated that they would carry out corrective and preventative actions against the findings in this audit to meet the requirements of the law and code.

← Worker analysis

Measuring workplace impact →

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	3	2	-	5

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	0	1	-	1
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	0	1	-	1

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2025)	2.3%	2.2%	-	4.5%
Previous full calendar year (2024)	2.5%	2.4%	-	4.9%

* 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)	2.6%	2.1%	-	4.7%
Last full calendar year (2025)	2.4%	2.2%	-	4.6%
Previous full calendar year (2024)	2.4%	2.5%	-	4.9%

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

← Worker interviews

Code area 0 →

Are accidents recorded?	Yes The factory has established accident management procedure. Accident would be recorded, investigated, tracked and analyzed if any injury accident happened. As per the accident statistic records, no accident happened in the past year.

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%

← Measuring workplace impact

Code area 0 →

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

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

← Measuring workplace impact

Code area 0 →

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: The factory has established social compliance manual, in which general social compliance policy and procedures are covered, endorsed by the factory Manager. Mr. Zhang XX /Business Manager is responsible for the implementation of social compliance system and its compliance with ETI code. Verified through document review and workers/management interview, the factory had communicated the ETI Base Code to their employees through training and had extended the principles of this Ethical Code through their supply chain. The factory has provided an accurate site description and Sedex site profile declared during the audit. The factory provided the auditor with genuine and authentic records during this audit. The factory has filled SAQ and provided it for review. Full access to document review, factory tour and employee interview are granted. The audit proceeds smoothly. Anti-bribery policy has been established and implemented, no integrity issue is noted. No threat to auditor ever happened. A written human rights policy statement is maintained and approved at the most senior level, it is communicated to all personnel, and trained to relevant personnel. Evidence examined: Business license. Building leasing agreement. Employee manual. Social responsibility management policy and procedures. Training records. SAQ. Anti-bribery policy

← Measuring workplace impact

Code area 1 →

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	No

← Code area 0

Code area 1 →

1. Employment is freely chosen

Management systems

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

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	1.The facility has established the policy for freely chosen employment, and specific implementation procedures including no forced labor, recruitment procedure, etc, which clearly stated that the factory could meet all workplace requirements in this code area. The policy and procedures outline the key mechanisms in place for preventing forced labor of any kind. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records with employees' signatures are kept and provided for review. Key personnel such as managers and supervisors are trained specially. However, there is no documented process in place to ensure that all new starters in these roles receive the training in a timely manner and the training effectiveness was not verified in time. 4. Responsibilities for monitoring of forced labor is defined by the no forced labor procedure. Adherence to the processes is monitored via department reporting to the General Manager. The facility also established internal audit and management audit to monitor the effectiveness of the process. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established. The factory is recommended to encourage employee to report the case. However, there is not yet grievance record on the topic. The management states that review would also be arranged in case there is new report on the topic to verify if similar situation exists at the factory, if corrective actions are needed.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 0

Code area 1.A →

Systems and evidence examined to validate this code section	Current Systems: According to workers interview and document review: Labour contracts were signed, all employees' personnel files with the ID card photocopies were kept at the factory, the original ID card, passport, travel or identity documents or any other valuable item were kept by employees themselves. The security guards are not allowed to restrict worker movements, workers can freely leave the workplace and they were not controlled through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment. The surveillance such as CCTV was not excessive or for the purpose of controlling or intimidating workers. Workers can achieve the legal minimum wage without breaching applicable laws on working hours, overtime and rest days, overtime is voluntary. Wages were paid in time and no any illegal deduction was made as per payrolls review and workers interview, the factory would not employ any forced, bonded or prison labour, no form of forced labour, human trafficking, debt bondage/ bonded labour or any other form of modern slavery were found, employees were not required to lodge any deposits or their identity cards with their employer when they were employed, and they were free to leave the factory with 30 days' notice in advance without any restriction and be paid the full wages when the resignation per local legal requirement. The factory did not unreasonably prevent workers from communicating with others inside or outside the workplace, deny workers social interaction or otherwise intentionally subject workers to isolation. The factory was regularly monitored by local labour bureau to minimise the risk of workers being placed in a situation of forced labour. Regular monitoring was also conducted by the facility to ensure the workers meet the requirements of the ETI Base Code. Evidence Examined: Worker interview. 10 sampled workers' labour contracts. 10 sampled workers' personnel files and ID card photocopies. 10 sampled workers' payrolls of August 2025, January 2026 and May 2026. Written policy on prohibiting forced, bonded or prison labour, human trafficking, debt bondage/ bonded labour or any other form of modern slavery. Voluntary overtime policy. Resignation records. Employee handbook and other factory rules. Internal and external monitoring records.

← Code area 0 Code area 1.A →

1. Employment is freely chosen

Data points

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

← Code area 1

Code area 1.A →

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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

← Code area 1

Code area 2 →

Management systems

Explanation for management systems grades	1.The facility has established responsible recruitment and entitlement to work policy and procedures, which clearly stated that the factory would check the candidates' licenses to verify the legal right of working at the region. Policy about hiring stipulates that no recruitment fee is to be borne by the employees, either for employees hired directly or through the recruitment agency. The factory could meet all workplace requirements in this code area. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. However, the role responsible for the Base Code Area is not assigned the responsibility in writing. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. 4. Responsibilities for monitoring of responsible recruitment is defined by the recruitment procedure. Adherence to the processes is monitored via department reporting to the General Manager. All hiring decision shall finally approved by the HR lead. The HR team would monthly review the personnel to check if any employee without formal procedure is used at the workshops. The facility also established internal audit and management audit to monitor the effectiveness of the process. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 1

Code area 2 →

Systems and evidence examined to validate this code section	Current systems: As per management and worker interview, document review and factory tour, all workers were recruited directly by the factory and no agency, on-site subcontractor or other labour provider was used. All workers were recruited legally and fairly. Recruitment fees and related costs of recruitment would be undertaken by factory. The mechanism was established to ensure workers who are found to pay recruitment fees or related costs, are fully reimbursed in a timely manner. Workers' personnel files (including photographic identification) were reviewed by the auditee to validate that all workers have the legal right to work. All the workers are Chinese. No foreign migrant workers are employed at the factory. Internal migrant workers are employed at the factory. All workers have the legal rights to work in this region. The factory would sign labour contracts with workers when they join the factory within one month, which could meet the local legal requirement. The nature of work, working conditions, employment terms, living costs, wages and benefits accurately reflect and those were communicated to workers during recruitment. No labour providers or on-site subcontractors are used by the factory. The factory has established policy to ensure no recruitment fees or related costs are incurred or charged to workers and specifies the responsible party for reimbursing workers accordingly if they incur fees or costs. Evidence examined: Hiring policy and procedure Personnel files (including photographic identification). Employee roster. Employee handbook. Labour contracts. Payroll records. Management and worker interview. Factory tour.

← Code area 1

Code area 2 →

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

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

← Code area 1.A

Code area 2 →

Percentage of workers that are migrant	31%
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	Fujian, Hu'nan, Sichuan

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid?	No - all new workers were recruited locally by the site
Select 1 to 3 sending countries/regions of new workers. Record fees and costs in the following tables.	China

New workers totals

	China
Number of workers	21

Recruitment fees

	China
Payments made in exchange for work	-
Recruitment services which are not optional	-

← Code area 1.A
Code area 2 →

Recruitment fees

Other or uncategorised	-

Related costs

	China
Medical costs	-
Insurance costs	-
Skills and qualification tests	-
Training and orientation	-
Equipment costs	-
Travel costs	-
Accommodation costs	-
Administrative costs	-
Other or uncategorised	-

Illegitimate costs

	China
Payments made to illegitimate actors involved in the recruitment process	-

← Code area 1.A

Code area 2 →

Illegitimate costs

Payments made to illegitimate actors during the course of employment	-
Other or uncategorised	-

Was any worker in this group in debt as a result of these costs?

	China
Yes - to a recruiter	-
Yes - to the audited site	-
Yes - to a third party	-
No - could not verify	✓

Highest total costs incurred

	China
Currency	CNY
Highest total costs incurred	0.0

Additional comments No recuitement fees or illegitimate costs were charged to new workes in the past 12 months.

← Code area 1.A

Code area 2 →

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

Management systems

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

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades	1.The facility has established freedom of association and right to collective bargaining policy and procedures which are clearly stated the factory could meet all workplace requirements in this code area. The policy and procedures outline responsibilities and required supports. No labor union is available. Worker committee is recognized per the procedure. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. The interviewees are aware of their rights of freedom of association and right to collective bargaining. 4. Responsibilities for monitoring of freedom of association and right to collective bargaining is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established. Monitoring in place for the effective implementation of code element.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 1.A

Code area 3 →

Systems and evidence examined to validate this code section	Current systems: Policy of freedom of association and right to collective bargaining was established and it’s communicated to workers by training. The factory did not prohibit, discourage or interfere with workers' rights to join a trade union of their own choosing or other form of worker representation, there are two worker representatives who were freely and fairly elected by workers in 2025, they have rights to engage in collective bargaining, the communication meeting was held between worker representative and management quarterly. The worker representative was not discriminated against and have access to carry out their representative functions in the workplace. The right to freedom of association and collective bargaining was not restricted under law. According to worker and management interview, workers are aware of who their representative is, workers could raise their grievance to management directly or through suggestion box. Through workers interview, all workers were clear about these grievance channels. Evidence examined: Written grievance procedure. Written policy on freedom of association. Worker representative election procedure. Election record of worker representative and committee. Meeting minutes of worker representative and committee. Anti-discrimination policy. Grievance records. Interview with workers and worker representatives. Interview with management.

← Code area 1.A

Code area 3 →

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are there alternative worker representative bodies in place?	Yes, worker committee
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

← Code area 2

Code area 3 →

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

← Code area 2

Code area 3 →

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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

← Code area 2
Code area 4 →

Management systems

Explanation for management systems grades	1.The facility has established health and safety policy and procedures, which states the factory could meet all workplace requirements in this code area. The EHS management procedure outlines processes and responsibilities, including financial, for undertaking EHS procedure. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of the responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. However, the collection and identification of laws and regulations are not in timely manner. 3. Training at site is governed by a training procedure which is the specific responsibility of the training management team. The EHS policy and procedures are communicated to all employees through regular training program. The training plan and training materials and training records are kept and provided for review. Key personnel such as managers and supervisors are trained specially. However, EHS requirements training are recommended to be refreshed periodically. 4. Responsibilities for monitoring of health and safety is defined by the EHS procedure. Adherence to the processes is monitored via department reporting to the General Manager. The facility also established internal audit and management audit to monitor the effectiveness of the process. Reporting mechanism of potential deviation is established. However, the machine safety and electrical safety management have opportunity of improvement. there is no evidence of actions taken to reduce the risk and prevent recurrence.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601487371
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF601487373
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601487372

← Code area 2

Code area 4 →

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	Current systems: 1. General Health and Safety management - Mr. Zhang XX / Production Manager is assigned to take responsibilities of factory Health & Safety. - Ventilation, temperature and lighting were adequate for the production processes. - One health and safety committee which included workers, and their representatives was in place. - Minutes of meetings show that there are quarterly meetings between the H&S committee and the factory management, and each point is acted on. - Health and Safety policy and procedures were established. - Fire permit and building permit were provided for review to verify the factory buildings are safe. - Health and safety risk assessment report was checked. - Systems were established to ensure workers are safe from risks associated with extreme weather conditions, including heat stress. - Annual training plan was established, health and safety training was provided to all new workers prior to exposure to risks and orientation trainings were also provided to existing workers, the effectiveness of health and safety training was measured to ensure training content was understood and implemented by workers, all health and safety training records were kept for review. - Accident/incident management procedure was established, per this procedure, accident/incident log would be routinely reviewed by factory manager and appropriate corrective and preventative actions would be taken if any accident/incident happened. The accident/incident log showed that no accident happened in the past 12 months. - Based on management and workers interview, when workers believe they can stop working, seek safety or leave the premises without the threat or fear of retaliation if hazards in the workplace have placed them in imminent danger. 2. Fire safety and emergency preparedness and response - Adequate fire exits were available. -The evacuation aisles were unblocked. - Fire evacuation plans were posted throughout the factory and evacuation routes were clearly marked, the emergency assembly point is set in a safe place. - Fire alarms were fully installed at the factory. - Firefighting equipment such as fire extinguishers, fire hydrants were fully installed and checks were up-to-date. - Emergency preparedness and response plans for risks identified (including natural disasters and other potential emergencies such as fire) were developed. Fire drill records were checked, fire drill would be carried out twice per year with all workers in the same building involved, the latest one was carried out on January 28, 2026 which covered all employees, work shifts, production areas. 3. Electrical safety

← Code area 2
Code area 4 →

- Electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards. However, some electrical control panels are missing inner covers.
- There was competent electrician used and the valid electrician certificate was available for review, electrical safety check was conducted monthly by electrician to ensure that electrical hazards are reduced.
4. Chemical safety
- Chemicals list was available. Chemicals like lubricant are used.
- Hazardous chemical are properly managed. They are stored in secondary containment, MSDS and eye washing facility are available. The purchasing approval from public security bureau is not necessary.
- Hazardous chemical bottles used onsite are attached with safety labels.
5. PPE management
- PPE was provided to all relevant workers and the workers were wearing the provided PPE while working.
6. Medical services
-There were trained First Aiders at the factory, and they were visibly identified throughout the factory.
- First aid boxes were available and fully stocked throughout the factory.
- The factory has provided occupational health examination to related workers who in contact with occupational hazardous factors.
7. Special equipment management
- Special equipment list was provided.
- The special equipment such as elevator was inspected regularly.
8. Machinery safety
- Machinery safety training was provided to the workers.
- All production machines were maintained regularly, and were protected with safety guards and used in a safe manner. However, some sewing machines are missing needle guard.
9. Drinking water was provided for all workers and valid testing report of water for potability was provided; Sufficient toilet facilities were available at all times to workers in each workshop; they were clean and segregated by gender.
10. No dormitory was provided to the workers.
11. No commute transportation was provided to the workers, which is not legally required.
12. Kitchen and canteen service was provided to workers. It is clean and well maintained.

Evidence examined:
Employee manual.
Health & Safety responsible person appointment letter.
Health and safety policy.

← Code area 2

Code area 4 →

Health and safety manual and procedure.
Health and safety committee minutes.
Fire permit: Shangongxiaoyan[2012]diA4hao; Shangongxiaoyan[2012]diA6hao.
Building completion acceptance: issued on August 30, 2010.
Health and safety Training records regarding PPE, chemical management, machine safety, etc.
Accident statistic records.
Firefighting equipment inspection records.
Emergency preparedness and response procedure and fire drill records.
Electrical safety inspection records.
Electrician certificate: valid from October 24, 2024 to October 23, 2030.
Chemical list and relevant MSDS.
Occupational health factors testing report.
PPE issue records.
Special equipment list.
Special equipment annual inspection reports.
First Aider training proof
Special equipment management certificate (4404***8276, valid unitil November 14, 2027)
Drinking water test report.
Elevator inspection report number: BTC-D02513590, valid to July 22, 2026
Safe production management personnel license number: 4405****4618, valid from May 28, 2024 to May 27, 2027
Catering service license: JY14405130007312, valid from May 22, 2024 to May 21, 2029.
Interviews with EHS responsible person.
Interviews with workers and H&S committee members.

← Code area 2
Code area 4 →

Findings: non-compliances

ZAF601487371

Non-compliance

Due 2026-07-25

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

The production equipment is regularly maintained with records available. However, two sewing machines in the sample making area are missing needle guards. 生产设备有定期维护保养，也提供了维保记录。但是，打样区域2台针车缺乏挡针设施。

Intended corrective and preventative actions, based on root cause analysis

The factory is to install needle gards for the sewing machines

Local law reference

General Safety and Hygiene Rules for Designing Production Equipment (GB5083-1999), Article 6.1.6: With the surface of the operational position being the datum plane, the following dangerous parts shall be installed with safe guards when the height is lower than 2 meters: transmission belts, axis of rotation, driving chains, shaft couplings, pulleys, gear wheels, flywheels, chain wheels and electric saw.

Evidence

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

[Sewing Machine without Needle Guard.JPG]

* PDF generated at 06:56 (UTC) on 25 Jun 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601487373

Non-compliance

Due 2026-08-24

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

The electrical installations are inspected, and inspection records are available. However, two of the sampled electrical control panels in the workshop are not installed with inner covers. 工厂有对电气设施进行定期检查，也提供了检查记录。但是，抽查的配电箱中，2个在车间的配电箱缺乏内盖。

Intended corrective and preventative actions, based on root cause analysis

It is recommended to install inner cover for each electrical control panel.

Local law reference

General Guide for Safety of Electric User (GB/T13869-2017), Article 5.1.2: electric circuit in use must have sufficient insulation strength, mechanical strength and conductive capability and the installation of which should meet the standards for corresponding electrical devices.

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Evidence

[Electrical control panel without inner cover.JPG]

* PDF generated at 06:56 (UTC) on 25 Jun 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601487372

Non-compliance

Due 2026-08-24

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

The Completion of Construction Proof of Inspection and fire license of the used production building is available for review. However, some goods in the warehouse are stacked directly against the wall. 工厂提供了所使用建筑的竣工验收及消防验收文件。但是，仓库的部分物料直接靠墙堆放。

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →

Intended corrective and preventative actions, based on root cause analysis

The factory is to ensure the goods are stored away from the wall at a distance no less than 50cm.

Local law reference

Regulations on Fire Prevention of Warehouse (1990) Article 18 The inventory items shall be classified and stored separately. The area of each stack should not be more than 100sqm. The distance between stacks is not less than 1m. The distance between stack and wall is not less than 0.5m. The distance between stack and beam or pillar is not less than 0.3m. The width of main corridor is not less than 2m.

Evidence

Goods are stored against the wall.JPG

* PDF generated at 06:56 (UTC) on 25 Jun 2026. View this finding on the Sedex platform for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

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

← Code area 3 Code area 4 →

Does the site have a structural engineer evaluation?	Yes

[← Code area 3] [Code area 4 →]

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	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

← Code area 3

Code area 5 →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the Child Labour Prevention and Remediation Policy which meets all workplace requirements in this code area. The policy makes reference to the hiring procedure, which outlines the key mechanisms in place for preventing underage work and young worker protection. This procedure includes provisions for non-employee (agency) workers despite the fact that the auditee does not use agency workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. However, no arrangement to handle interim responsibility in the case of absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. 4. Responsibilities for monitoring implementation of Child Labour prevention and Remediation policy. Adherence to the processes is monitored via department reporting to the General Manager. Online verification of ID card and other technical skills of identifying potential fake ID cards are delivered to HR team. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 3

Code area 5 →

Systems and evidence examined to validate this code section	Current systems: The factory has established a policy that would never employ and use any child labour under the age of 16 years old as per local law. The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. All 10 interviewees' personnel files and ID cards photocopies were provided. As verified through factory tour, workers and management interview, no child labour or young worker was found. The youngest worker was 18 years old. The factory has established young worker protection management procedure if young workers were employed, aming to ensure these workers do not work at night shifts, work in hazardous environment and comply with other relevant laws. The factory also has a written policy and process outlining how child labour would be remediated in case of child labour was employed accidentally. Evidence examined: Employment policy. 10 interviewees' personnel files and photocopies of ID card. Young worker protection management procedure Written policy and process for child labour remediation.

← Code area 3

Code area 5 →

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	9%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

← Code area 4 Code area 5 →

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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

← Code area 4
Code area 5.A →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the wage and benefit policy and procedure, which meets workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for preventing illegal wage and benefit issues. 2. The HR manager is assigned responsibility for implementation of policy and procedure, and he is clear about his responsibilities. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. However, due to local context on the involvement of social insurance, employees want to save money here and they are actually bought rural pension at hometown, oversights in implementation. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program and new workers through induction training. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. However, due to local context on the involvement of social insurance, employees want to save money here and they are actually bought rural pension at hometown, they are aware of the requirements but there is no adequate willingness in implementation. 4. Adherence to the processes is monitored via departmental reporting to the HR manager and General Manager. Grievance mechanism is established. Internal audit and management review are arranged per year to review the effectiveness of the system. However, there is no mechanism for monitoring whether processes are implemented by operational staff.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601487370

← Code area 4

Code area 5.A →

Systems and evidence examined to validate this code section	Current systems: The factory provided payroll records from June 2025 to May 2026. As per management's testimony, there is no apparent peak or low season in the past year. 10 workers' payroll records of August 2025 (random month), January 2026 (random month) and May 2026 (the most recent month) were selected as samples, based on the sampled payrolls, all workers were paid at hourly rate. The wage would be paid to workers by cash on 10th day of the following month. Pay slip of each pay period with a clear and understandable breakdown of their wages, benefits and any deductions were provided to each worker. Known from workers interview and payrolls review, the basic wage was RMB3000 to RMB3500 per month, which is higher than local legal minimum wage of RMB1850. The employees are provided with free meals. The factory paid 150% of basic wage for overtime on weekdays and 200% of basic wage for overtime on rest days, no overtime on national holidays in the past 12 months but they would pay 300% of basic wage for overtime on statutory holidays if workers worked for overtime on statutory holidays, which could meet legal requirements. Furthermore, workers are remunerated for all time worked, including meetings and essential training. All legal leave benefit such as sick leave, annual leave, maternity leave, etc. are provided to workers by the factory. The factory has signed labour contracts with the employees, detailed, clear employment conditions and terms are stated in the labour contracts. The employee manual clearly states the outlining wage information (rates of and total pay, overtime, payment frequency, deductions, benefits and insurances, and paid leave) in written document in a language workers understand and it's communicated to workers before employment begins, workers can get the clearly written information relating to any changes of the same during the course of employment in the updated employee manual and notice. Documented disciplinary measures procedure shows the factory would adopt warning, minor mistake record, major mistake record or termination, etc. as disciplinary actions and no disciplinary action was conducted till now, and the workers would not be fined as consequence of violating factory's rules which was verified via worker interview. The facility provided recent 3 months' social insurance receipts for audit, the social insurance receipt of May 2026 (the most recent month) showed the facility purchased medical insurance, maternity insurance, work-related injury insurance, retirement insurance and unemployment insurance for some employees. Some other employees are not yet covered by social insurance. The factory has bought commercial accident insurance for all employees. Evidence examined: Management interview.

← Code area 4

Code area 5.A →

Worker interview.
Local and national laws.
Wages and benefits policy.
Factory policy on working hours.
Computerised time logging system.
Disciplinary measures procedure.
Local legal minimum wage documents.
Social insurance and payment receipts from the local labour department.
Labour contracts for all employees.
Payroll records from June 2025 to May 2026 and attendance records from June 2025 to the audit date.
Leave records.
Employee manual.
Resignation records.

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601487370

Non-compliance

Due 2026-08-24

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

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

Description

There are totally 96 employees at the factory. There are 15 employees reaching the age of retirement and no new employee. Based on the provided social insurance information of May 2026, 17 employees are covered by retirement insurance, unemployment insurance and work-related injury insurance, medical insurance, maternity insurance respectively (the coverage rate is 21%). The employees who have not bought social insurance and the management state that they do not want to bear the personal cost of the social insurance since they have bought new rural pension insurance and rural cooperative medical insurance at home. 工厂共有人员96人。有15名达到退休年龄的员工，没有新进员工。根据所提供的2026年5月的社保缴费信息，17名员工购买了养老保险、失业保险、工伤保险、医疗保险、生育保险(覆盖率为21%）。管理人员及没有购买社保的员工表示没有购买是因为不愿承担社保个人支出的费用，且在老家有购买新农保及合作医疗保险。

Intended corrective and preventative actions, based on root cause analysis

The factory should adopt practices to ensure that all workers are provided with social insurance.

Local law reference

PRC Labor Act (1995), Article 73 The employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.

Evidence

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 5

Code area 5.A →


社会保险费申报汇总表

[Insufficient social insurance coverage.jpg]

* PDF generated at 06:56 (UTC) on 25 Jun 2026. View this finding on the Sedex platform for live updates and closure details.

← Code area 5 | Code area 5.A →

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	The legal minimum wage Wages meet a living wage Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) cash
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	Between 10% and 30%
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Anker Reference Value Methodology

Worker renumeration

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

Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly
Is actual wage data available on site for any of these options?	Monthly

← Code area 5   Code area 5.A →

Maximum legal working hours	**Max hours per day**	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	**Required hours per day**	8.0
	Required hours per week	40.0
	Required hours per month	184.0
Maximum legal overtime hours	**Max hours per day**	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	**Max hours per day**	2.0
	Max hours per week	18.0
	Max hours per month	74.0
Minimum legal wage	**Min per hour**	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1850.0
Actual minimum wage	**Actual per hour**	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	3000.0

← Code area 5

Code area 5.A →

Minimum legal overtime wage	**Min per hour**	15.95
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	25.86
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 workers sample from 1st August 2025 to 31st August 2025 10 workers sample from 1st January 2026 to 31st January 2026 10 workers sample from 1st May 2026 to 31st May 2026
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	All workers were paid at hourly rate and the basic wage was RMB3000 to RMB3500 per month, which was higher than local legal requirement.
Are there any bonus schemes used?	No

← Code area 5

Code area 5.A →

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	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: Known from workers interview and payrolls review, considering the free meals and basic wage, the total fixed wage was RMB3450/month to RMB3950/month, which is higher than local minimum wage standard of RMB1850/month. The factory understood living wage in local area. The living wage was calculated by the facility management per ANKER Reference Value Methodology, the provided total fixed wage (RMB3450/month to RMB3950/month) was higher than the calculated living wage (RMB1873.7/month), so the factory can provide decent living standard to the workers. Evidence examined: Management interview. Worker interview. Local and national laws. Wages and benefits policy. Payroll records from June 2025 to May 2026. Attendance records from June 2025 to the audit date. Living wage calculation records

← Code area 5

Code area 6 →

6. Working hours are not excessive

Management systems

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

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the working hours policy and procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for preventing excessive overtime hours. 2. The HR Manager is assigned responsibility for implementation of policy and procedure, and he is aware of the responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. However, due to production and products delivery stress, working hours are not controlled per legal requirements. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regularly training program and new workers through induction training. The training plan, training materials and training records are kept and provided for review. Key personnel such as managers and supervisors are trained specially. However, due to local context on working hours, employees want to earn more money through overtime work, employees are aware of the requirements but there is no adequate willingness in implementation. 4. Responsibilities for monitoring implementation of working hours are defined in the CSR manual. And the facility also established internal audit and management audit to monitor the effectiveness of the process. Adherence to the processes is monitored via departmental reporting to the General Manager. Grievance mechanism is established. Internal audit and management review are arranged per year to review the effectiveness of the system. However, there is no evidence of actions taken to prevent recurrence.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601487369

← Code area 5.A

Code area 7 →

Systems and evidence examined to validate this code section	Current Systems: As per worker interview and management interview, overtime is voluntary and it can be refused without penalty. Overtime is used in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment, HR would regularly review the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime. The attendance records from June 2025 to audit day are available for review. The employees work in one shift: 08:00~12:00; 13:00~17:00, and workers have 90 minutes each time as lunch break. The employee would have overtime work on weekdays, with maximum at 2 hours. The normal weekday at the factory is 8 hours per day and 40 hours per week, which is stipulated in workers' labour contracts. The factory paid 150% of normal wage for overtime work on weekdays, 200% of normal wage for overtime work on weekend. No overtime on statutory holidays. As per the provided attendance records and management testimony, there is no apparent peak or low season. The factory provided the attendance records from June 2025 to the audit day for review and the auditor had randomly selected 10 employees' attendance records from August 2025 (random month), January 2026 (random month) and May 2026 (the most recent month) for review respectively from each production department. It was noted that all sampled workers' monthly overtime exceed legal limit of 36 hours each month, with maximum at 74 hours. The maximum weekly working hours of all sampled workers were within 60 hours. Through checking the 10 sampled workers' attendance records of August 2025, January 2026 and May 2026, all workers are entitled with at least 24 hours of consecutive rest in every 7-day period (rest day always on Sunday). Evidence examined: Employee interview. Management interview. Employee manual. Factory policy on working hours. Computerized time logging system. Voluntary overtime policy. Local and national laws. Workers contracts. 10 sampled workers' payroll records from June 2025 to May 2026. Attendance records from June 2025 to audit day. Leave application records

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601487369

Non-compliance

Due 2026-08-24

Code area

6 Working hours are not excessive

Workplace requirement

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

Issue title

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

Description

As per the provided attendance records and management testimony, there is no apparent peak or low season in the past 12 months. The factory provided the attendance records from June 2025 to the audit date for review, and auditor had randomly selected 10 employees from August 2025 (random month), January 2026 (random month), and May 2026 (most current month) as samples respectively from production departments. It was noted that 9 out of 10 employees' monthly overtime exceeded 36 hours with 74 hours at maximum in August 2025, 9 out of 10 employees' monthly overtime exceeded 36 hours with 74 hours at maximum in January 2026, 9 out of 10 employees' monthly overtime are within 36 hours with 70 hours at maximum in May 2026. The maximum daily overtime was 2 hours per day on weekdays and maximum weekly hours were 58 hours. 通过工厂提供的考勤记录和管理人员表述，工厂在过去12个月没有明显淡旺季。 工厂提供了从2025年6月到审核当天的考勤记录供审核， 审核员随机挑选了2025年8月（随机月份）、2026年1月（随机月份）和2026年5月（最近一个月）每个月各10名生产部的员工作为抽样。审核发现2025年8月9/10名员工月加班超过36小时、最高为74小时, 2026年1月9/10名员工月加班超过36小时、最高为74小时，2026年5月9/10名员工月加班未超过36小时、最高为70小时。 工作日最高加班为每天2小时，周工时最高为58小时。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that overtime hours should not exceed 36 hours per month.

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

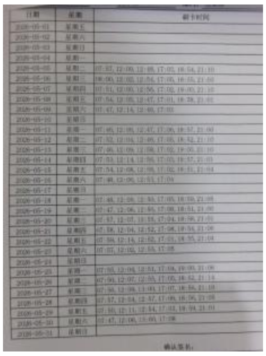
← Code area 6

Code area 7 →

Local law reference

PRC Labor Act (1995), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in month shall not exceed thirty-six hours.

Evidence



[Excessive Monthly Overtime.JPG]

* PDF generated at 06:56 (UTC) on 25 Jun 2026. View this finding on the Sedex platform for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	57.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

← Code area 6

Code area 7 →

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	1. The position of the company is clearly stated in the anti-discrimination policy and procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for preventing discrimination. 2. The Management representative is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regularly training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. The interviewees are aware of their rights of the topic. 4. Responsibilities for monitoring of freedom of discrimination is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

← Code area 6

Code area 8 →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 6

Code area 8 →

Systems and evidence examined to validate this code section	Current Systems: As informed by interviewed workers, most employees spoke highly of the factory. Per document review, anti-discrimination policy and procedure on hiring, compensation, access to training, development and promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation was established. No worker was required to do the health examination of the hepatitis B virus, HIV/AIDS or pregnancy test during the recruitment process or during employment where the results are used to unfairly avoid hiring or retaining workers with certain health issues or medical conditions. The factory also has a dedicated equity approach in recruitment, training, development and promotion processes. For example, the human resources management procedure stipulates that both male and females are entitled with equal opportunity of joining the company. There is female worker protection procedure, which grants considerations to females. There are training program to empower female employees, and special consideration on promotion is granted for females. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work. Per document review and workers interview, no discrimination is practiced. All employees were trained the anti-discrimination procedure with training records for review. There was an internal grievance process; all interviewees were aware of the grievance channels in case they encountered any discrimination cases. Evidence examined: Anti-discrimination procedure. Grievance procedure. The hiring and termination procedure, leave application records and employee handbook. Payroll records. Attendance records. Termination records. Training records. Health examination records.

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)?	16%
Representation of women in managerial roles (ratio of women workers to women managers)	1%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	3%
Three most common nationalities in managerial and supervisory roles	All managerial and supervisory roles are Chinese.

← Code area 7

Code area 8 →

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	1. The position of the company is clearly stated in the employment policy and procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for employment management. 2. The factory manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. It is recommended to make it in a more timely manner. The interviewees are aware of their rights of the topic. 4. Responsibilities for monitoring of employment is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

← Code area 7

Code area 8.A →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: As per document review and worker interview, all interviewees were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. The factory also meets its contractual and legal obligations in cases of dismissal, termination or redundancy. All workers were permanent, no part time, or temporary workers were found at the factory. As per document review, management and worker interview, no sub-contracted workers, homeworkers, apprenticeships, irregular workers or non-employment models of workers were used at the factory. All employees were recruited by the factory directly. No labour agency was used to hire workers. Evidence examined: The hiring and termination procedure. Personal files. Labour contracts. Payroll records.

← Code area 7 Code area 8.A →

8. Regular employment is provided

Data points

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

← Code area 8
Code area 8.A →

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

Management systems

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

← Code area 8

Code area 9 →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the Supplier and subcontractor management procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for management of Sub-contracting and homeworkers. 2. The factory manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. However, the related training are recommended to be refreshed periodically. 4. Responsibilities for monitoring of subcontractor and homeworker is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 8

Code area 9 →

Systems and evidence examined to validate this code section	Current Systems: As per document review and worker interview, all interviewees were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. The factory also meets its contractual and legal obligations in cases of dismissal, termination or redundancy. All workers were permanent, no part time, or temporary workers were found at the factory. As per document review, management and worker interview, no sub-contracted workers, homeworkers, apprenticeships, irregular workers or non-employment models of workers were used at the factory. All employees were recruited by the factory directly. No labour agency was used to hire workers. Evidence examined: The hiring and termination procedure. Personal files. Labour contracts. Payroll records.

← Code area 8

Code area 9 →

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

Data points

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

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?	
Are full records of homeworkers available at the site?	
Does the supplier buy products or services from suppliers that use homeworkers?	No Per available information, no homeworkers are used by the suppliers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No No sub-contracting work per testimony of management and workers, and onsite observation.

← Code area 8.A

Code area 9 →

Are any sub-contractors used?	No

[← Code area 8.A](#) [Code area 9 →](#)

9. No harsh or inhumane treatment is allowed

Management systems

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

← Code area 8.A

Code area 10.A →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the Disciplinary measures management procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for preventing inhumane treatment. 2. The factory manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. The interviewees are aware of their rights of the topic. 4. Responsibilities for monitoring of inhumane treatment is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 8.A

Code area 10.A →

Systems and evidence examined to validate this code section	Current Systems: According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which includes warning, minor mistake record, major mistake record or termination, etc., and the site had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure by training. As per management interview, document review and workers interview, there was a fair and appropriate policy on prevention of harassment and abuse, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were forbidden, which was also communicated to all employees. As per management interview, document review and worker interview, the factory had implemented effective measures to prevent and control risks of harsh or inhumane treatment, including gender-based violence and harassment, based on an identification of hazards and risks. Body searches were forbidden. The factory provided appropriate training to workers at all levels in roles (taking particular consideration of vulnerable worker groups) where risk has been identified and those with relevant supervisory or administrative responsibilities, to prevent harsh or inhumane treatment in the factory. There is a system in place to monitor the understanding/implementation of the training. There is an internal channel for grievance: through suggestion box, QR code, telephone number, report any grievances (harassment, bullying, discrimination etc.) to management or workers representatives directly; any received complaint will be handled by management, without any reprisal for the worker in question. Worker interview confirmed that workers were aware of this. Evidence examined: The relevant policy on prevention of harassment and abuse. Internal grievance procedure documentation. Training records. Onsite observation

← Code area 8.A
Code area 10.A →

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Suggestion box, worker representative or manager.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

← Code area 9 Code area 10.A →

10.A. Environment 2-Pillar

Management systems

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

← Code area 9

Code area 10.B →

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the environment protection policy and procedure, which meets all workplace requirements in this code area. The policy and procedures outlines the key mechanisms in place for environment protection. 2. A senior manager is assigned responsibility for implementation of policy and procedure, and he is aware of the responsibilities. He is ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. There is also mechanism to train the new employees upon hire. The interviewees are aware of their rights and responsibilities of the environment. However, environment requirements trainings are recommended to be refreshed periodically. 4. Responsibilities for monitoring of environment is defined by the CSR management manual. Adherence to the processes is monitored via department reporting to the General Manager. Regular review of its environment performance is performed by the factory since local government also pays attention on environment management. Internal audit and management review are arranged once per year to review the effectiveness of the system. Grievance mechanism is established.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 9

Code area 10.B →

Systems and evidence examined to validate this code section	Current Systems: Laws and regulations identifying and collecting procedure was established. The local, regional and national environmental laws were collected and updated regularly, and the most updated laws and regulations list was provided for review. The Environmental Impact Assessment (EIA) report form can be exempted per the nature of production and local regulation. Monitoring report for waste gas and noise were provided for review. Discharge registration of stationary pollution source was obtained and provided for review. A list of substances (e.g. chemicals and pesticides) used in manufacturing or in purchased components was maintained that were compliant with their clients' requirements and relevant legislation in the destination countries for those substances. The factory had established a procedure to identify and remediate the gaps between their clients' environmental standards and the environmental impact of their own operations although the factory representative claimed that there were no any client's specific environmental requirements received till now. Evidence examined: Environmental policy and procedures. Discharge registration of stationary pollution source. Monitoring report for waste gas and noise. Worker and management interview.

← Code area 9   Code area 10.B →

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	None
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

← Code area 10.A

Code area 10.B →

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 10.A

Code area 10.C →

Systems and evidence examined to validate this code section	Current Systems: One senior manager (Mr. Zhang XX / Production Manager) was responsible for continuous improvements in their environmental performance. The factory has established environmental management system and continuously improved the environmental management system through annual internal audit and management review. Environmental factors identifying, assessing and controlling procedure was established, the significant environmental factors were identified and will be controlled. Environmental policies and processes including the commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders had been established. Environmental goals (including resource-use goals, etc.), environmental indicators and environmental management plan were established and implemented, as per the provided records, the environmental goals have been achieved. Signed hazardous waste handling agreements, the valid qualification of hazardous waste handling unit, hazardous waste transfer records were provided. Environmental monitoring reports were available. The factory also has taken effective actions to monitor and mitigate the site's impacts on biodiversity. Training system for environmental protection has been established. The factory provided the record of energy use, water use, solid waste, material use, hazardous substance use and waste, and effluent discharge. One management and one worker were selected for interview, they clearly knew the basic legal environmental requirements and the environmental policies of the factory. The factory provided the required data of energy for review during the audit. Evidence examined: Appointment letter of a senior responsible manager. Environmental policy and procedures. Environmental factors management procedure. Environmental factors and significant environmental factors list. Significant environmental factors management plan. Environmental monitoring reports. Waste disposal records. Management procedure for biodiversity. Environmental goals, environmental indicators and environmental management plan. Energy consumption tracking records. Factory tour. Training records. Worker and management interview. Record of energy use, water use, solid waste, material use, hazardous substance use

← Code area 10.A

Code area 10.C →

and waste, and effluent discharge.

← Code area 10.A

Code area 10.C →

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Prioritising local suppliers Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes Documented procedure was established for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs) Yes, to reduce scope 2 greenhouse gases (GHGs)
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 10% in 5 years (2024-2028). Energy: the site has set the reduction target by 10% in 5 years (2024-2028).
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

← Code area 10.B

Code area 10.C →

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	205,551.6	256,619.4
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	petrol: 1803 liters	petrol: 1763 liters
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)	3,437	3,380
Water discharged	Municipal wastewater treatment plant	Municipal wastewater treatment plant
Water volume discharged (m3)	3,093.3	3,042
Water volume recycled (m3)	0	0
Total waste produced (mt)	138.8	138.1

← Code area 10.B

Code area 10.C →

Total hazardous waste produced (mt)	0.1	0.1
Waste to recycling (mt)	101.9	101.8
Waste to landfill (mt)	36.9	36.3
Waste to other (mt)	0	0
Total product produced (mt)	2,076.4	2,477

← Code area 10.B

Code area 10.C →

10.C. Business ethics

Management systems

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

← Code area 10.B

Management systems

Explanation for management systems grades	1. The position of the company is clearly stated in the policy and procedure which meets all workplace requirements in this code area. The policy and procedures outline the key mechanisms in place for management of Business ethics. 2. The factory manager is assigned responsibility for implementation of policy and procedure, and he is aware of his responsibilities. Policy as ultimately responsible for ensuring the resourcing, approval and regular review. Specific operational responsibilities for implementing the procedures are clear. Procedures are in place for interim responsibility in the case of position change or absence. 3. Training at site is governed by a training procedure which state the specific responsibility of the training management team. The policy and procedures are communicated to all employees through regular training program. The training plan, training materials and training records are kept for review. Key personnel such as managers and supervisors are trained specially. However, there is no documented process in place to ensure that all new starters in these roles receive the training in a timely manner. 4. Responsibilities for monitoring implementation of policy. And the facility also established internal audit and management audit to monitor the effectiveness of the process. Adherence to the processes is monitored via departmental reporting to the General Manager. Grievance mechanism is established. Internal audit and management review are arranged per year to review the effectiveness of the system.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 10.B

Systems and evidence examined to validate this code section	Current systems: One senior manager (Mr. Zhang XX /Business Manager) was designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery. The company established a business ethics policy which was communicated to employees through posters and training, and this business ethics policy was communicated to their suppliers. The site had received and read the Business Ethics policy of the auditor/audit company. There is an internal grievance process, which includes an anonymous reporting channel. No any fines/prosecutions for non-compliance to Business Ethics regulations were found in the factory. Based on management interview, the facility was familiar with national regulations/laws concerning business integrity standards. Risk assessment was conducted on Business Ethics regarding bribery, corruption or any fraudulent or unethical business practices, for the significant risk, the factory has implemented measures to mitigate these. The provided training records showed the staff whose job roles carry a higher level of risk in the area of ethical Business Practice such as sales and purchasing are trained on what action to take in the event of an issue arising in their area. The factory has communicated the business ethics policy covering bribery, corruption, or any type of fraudulent or unethical business practice to all parties it deems as high risk, including the site's own suppliers. The factory obtained and stored personal data with the appropriate consents and controls, complying with the legal requirements. The factory can demonstrate that licenses and permissions are held relating to leasing of the land where the site operates. One management and one worker were selected for interview, they were trained on Business Ethics and clearly known the Business Ethics policies of factory. Evidence examined: Business ethics policy and procedure. Management and employees' interview. Business ethics training records. Risk assessment on business ethics.

← Code area 10.B

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	None

← Code area 10.C

Attachments

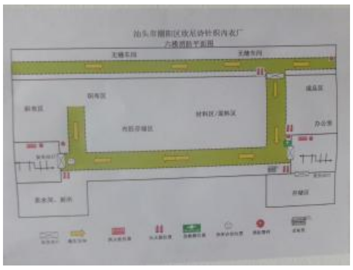
Canteen.JPG

Chemical storage area.JPG

Cutting.JPG

Drinking water.JPG

Electrical installations.JPG



Evacuation Plan.JPG

Eye washing facility.JPG

Fire alarm and fire hydrant.JPG

Fire alarm.JPG

Fire exit.JPG

Fire extinguishers.JPG

Fire sprinklers.JPG

First Aid Kit.JPG

Inspection.JPG

Ironing.JPG

Machinery.JPG

Outlook and factory name.JPG

Packing.JPG

Personal lockable space.JPG

Personal Protective Equipment.JPG

Production Building.JPG

Sewing.JPG

Suggestion box.JPG

Toilet.JPG

Warehouse.jpg

Waste storage area.JPG

Weaving.JPG

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