

# SMETA Corrective Action Plan Report (CAPR)

Version 7



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## 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

<b>Sedex site reference</b>	ZS1011071	<b>Site name</b>	ZHEJIANG YIHUA LEATHER PRODUCTS CO LTD
<b>Business name</b>	ZHEJIANG YIHUA LEATHER PRODUCTS CO LTD	<b>Site address</b>	9th Floor, Building 1, No. 8989 Fourth Jianshe Road, Guali Town, Xiaoshan District HANGZHOU CN 311241

## Audit details

<b>Sedex company reference</b>	ZC1073301	<b>Auditor company name</b>	Benchmarks Company Limited
<b>Audit company address</b>	Unit 9-11, 7/F., Block B, Proficient Industrial Centre,, 6 Wang Kwun Road, Kowloon Bay, Hong Kong, HK, -		
<b>Date of audit</b>	2025-10-15	<b>Audit conducted by</b>	Jagger Lai
<b>Audit pillars</b>	Labour Standards   Health and safety		
<b>Time in and out</b>	Day 1		
	In	08:40	
	Out	16:45	
<b>Audit type</b>	Full initial		

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Was the audit announced? Semi announced

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Mr. Wang Yukun / General Manager

Any conflicting information SAQ/Pre-Audit Info No

Is further information available? No

### Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No

Reason for absence at the opening meeting There was no union representative in the factory.

Reason for absence during the audit There was no union representative in the factory.

Reason for absence at the closing meeting There was no union representative in the factory.

# SMETA declaration

## Auditor team

### SMETA declaration

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

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

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

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

1. The semi-announced window of this audit is from October 01, 2025 to October 29, 2025.

### Lead auditor

Jagger Lai

### APSCA Number

32400337

### Additional auditor

### Date of declaration

2025-10-15

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## Site representation

<b>Declaration</b>	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.
<b>Full name</b>	Mr. Wang Yukun
<b>Title</b>	General Manager
<b>Date of declaration</b>	2025-10-15

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145335</a>
	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145336</a>
	3.R Provide clean and secure toilets, wash ar...	Local law	NC <a href="#">ZAF601145334</a>
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC <a href="#">ZAF601145337</a>

# Findings: non-compliances

ZAF601145335

Non-compliance

Due 2025-11-20

## Code area

3 Working conditions are safe and hygienic

## Status

Open\*

## Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

## Time given to resolve

30 days

## Verification method

Desktop audit

## Issue title

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

## Area of non-compliance/non-conformance

Local law

## Description

Safety facilities for some chemicals were not compliant with legal requirement. During facility tour, auditor found that chemicals such as edge paint, lubricating oil were used in production workshop, but there was no secondary containment. 部分化学品储存的安全设施不符合要求。在现场巡查时, 审核员发现在生产车间使用了化学品(皮革涂边油和润滑油), 但没有按要求设置防泄漏安全措施。

## Corrective and preventative actions

It is recommended that the facility should set up the corresponding safety facilities and equipment in workshop or warehouse for hazardous chemicals as per legal requirement. 建议企业应当在危险化学品的使用及储存场所设置相应的安全设施。

## Local law reference

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

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### Evidence

[No secondary containment for chemicals \(2\).jpg](#)

[No secondary containment for chemicals \(1\).jpg](#)

\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601145336

Non-compliance

Due 2025-11-20

### Code area

3 Working conditions are safe and hygienic

### Status

Open\*

### Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

### Time given to resolve

30 days

### Verification method

Desktop audit

### Issue title

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

### Area of non-compliance/non-conformance

Local law

### Description

No safety label for some chemicals. During facility tour, auditor found that there were no labels for chemicals (such as edge paint and lubricating oil) using at production workshop.部分化学品没有安全标识。在现场巡查时, 审核员发现在生产车间使用的化学品(如皮革涂边油和润滑油)没有标识。

### Corrective and preventative actions

It is recommended that safety labels should be attached for all chemicals for identification. 建议企业应对所有使用的化学品进行标识。

### Local law reference

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

### Evidence

[No safety label posted on chemicals \(2\).jpg](#)

[No safety label for chemicals \(1\).jpg](#)

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\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601145334

Non-compliance

Due 2025-12-20

#### Code area

3 Working conditions are safe and hygienic

#### Status

Open\*

#### Workplace requirement

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

#### Time given to resolve

60 days

#### Verification method

Desktop audit

#### Issue title

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

#### Area of non-compliance/non-conformance

Local law

#### Description

No gap between the stacks and the wall in the warehouse. During facility tour, auditor found that the finished goods stacks were stored against wall in the warehouse, which was less than the legal requirement of 0.5 meters. 货物靠墙堆放。在现场巡查时，审核员发现工厂成品垛与墙的间距为0，小于法定0.5米的要求。

#### Corrective and preventative actions

It is recommended that management should adopt practices and a control to ensure that the finished goods stacks were piled more than 0.5 meters from the wall. 建议工厂确保成品垛与墙的间距符合法律要求。

#### Local law reference

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

#### Evidence

[No gap between finished goods stacks and wall.jpg](#)

\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

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ZAF601145337

Non-compliance

Due 2025-12-20

**Code area**

6 Working hours are not excessive

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Issue title**

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

**Verification method**

Follow up audit

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

Local law

**Description**

Monthly overtime hours exceeded the legal requirement (maximum 36 overtime hours per month). During document review, it was noted that 28 out of 30 sampled employees worked in excess of the statutory overtime hour limits. Per the randomly selected 30 employees' attendance (10 samples from random month December 2024, 10 samples from random month May 2025 and 10 samples from the current month August 2025) yielded the following: (1) the monthly overtime hours of all 10 randomly selected employees ranged from 40 hours to 62 hours in August 2025 (current month). (2) the monthly overtime hours of 9 out of 10 randomly selected employees were 54 hours in May 2025 (random month). (3) the monthly overtime hours of 9 out of 10 randomly selected employees were 56 hours in December 2024 (random month). 月加班时间超过法规要求（最高每月36小时）。审核发现，随机抽取的30名员工样本中的28名员工的月加班时间超过了法定标准，其中从随机月2024年12月抽取10个，从随机月2025年05月抽取10个，从最近发薪月份2025年08月抽取10个考勤发现：（1）2025年08月（当前月）抽取的所有10名员工样本的月加班时间为40-62小时。（2）2025年05月（随机月）抽取的所有10名员工样本中的9名员工的月加班时间为54小时。（3）2024年12月（随机月）抽取的所有10名员工样本中的9名员工的月加班时间为56小时。

**Corrective and preventative actions**

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month. 建议企业应减少员工的加班时间确保每月的加班时间不超过36小时。

**Local law reference**

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

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**Evidence**





































[Workers' monthly overtime hours exceeded the legal requirement \(3\).jpg](#)


[Workers' monthly overtime hours exceeded the legal requirement \(2\).jpg](#)


[Workers' monthly overtime hours exceeded the legal requirement \(1\).jpg](#)

\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.


# 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


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	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				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

## Guidance

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

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

### Next steps:

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

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## Management Systems Assessment (MSA)

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

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

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

For more information on management systems please refer to the Management Systems workbooks.

## Collaborative Action Required

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

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

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

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions.

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Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

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

#### **For Suppliers**

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

#### **For Buyers**

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

#### **For Auditors**

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



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

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# Sedex Members Ethical Trade Audit Report

Version 7



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[Attachments](#)

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<b>Business name</b>	ZHEJIANG YIHUA LEATHER PRODUCTS CO LTD	<b>Site address</b>	9th Floor, Building 1, No. 8989 Fourth Jianshe Road, Guali Town, Xiaoshan District HANGZHOU CN 311241

## Audit details

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<b>Audit company address</b>	Unit 9-11, 7/F., Block B, Proficient Industrial Centre,, 6 Wang Kwun Road, Kowloon Bay, Hong Kong, HK, -		
<b>Date of audit</b>	2025-10-15	<b>Audit conducted by</b>	Jagger Lai
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<b>Time in and out</b>	Day 1		
	In	08:40	
	Out	16:45	
<b>Audit type</b>	Full initial		

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**Was the audit announced?** Semi announced

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

**Who signed and agreed CAPR?** Mr. Wang Yukun / General Manager

**Any conflicting information SAQ/Pre-Audit Info** No

**Is further information available?** No

### Audit attendance

	Senior management	Worker representative	Union representative
<b>A: Present at the opening meeting?</b>	Yes	Yes	No
<b>B: Present at the audit?</b>	Yes	Yes	No
<b>C: Present at the closing meeting?</b>	Yes	Yes	No

**Reason for absence at the opening meeting** There was no union representative in the factory.

**Reason for absence during the audit** There was no union representative in the factory.

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# 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.

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1. The semi-announced window of this audit is from October 01, 2025 to October 29, 2025.

### Lead auditor

Jagger Lai

### APSCA Number

32400337

### Additional auditor

### Date of declaration

2025-10-15

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## Site representation


<b>Declaration</b>	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.
<b>Full name</b>	Mr. Wang Yukun
<b>Title</b>	General Manager
<b>Date of declaration</b>	2025-10-15


## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
<b>3. Working conditions are safe and hygienic</b>	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145335</a>
	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145336</a>
	3.R Provide clean and secure toilets, wash ar...	Local law	NC <a href="#">ZAF601145334</a>
<b>6. Working hours are not excessive</b>	6.F Ensure that where overtime is used, it is...	Local law	NC <a href="#">ZAF601145337</a>


# 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				

 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	ZC1073301	
Sedex site reference	ZS1011071	
Company name	ZHEJIANG YIHUA LEATHER PRODUCTS CO LTD	
Business ownership type	GOODS	
Site name	ZHEJIANG YIHUA LEATHER PRODUCTS CO LTD	
Site name in local language	浙江益华皮具有限公司	
GPS location	GPS address	9th Floor, Building 1, No. 8989 Fourth Jianshe Road, Guali Town, Xiaoshan District, Hangzhou, Zhejiang, China
	Coordinates	Latitude: N 30°12'2", Longitude: E 120°24'54"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Wang Yukun
	Job title	General Manager
	Phone number	15158183086
	Email	vivian@yihuileather.com
Applicable business and other legally required business license numbers and documents	Business license: 91330109782928320B, valid from 04 January 2006 to long terms.	

[← Management systems](#)

[Worker analysis →](#)

## Site activities

<b>Site function</b>	Factory Processing/Manufacturer Finished Product Supplier
<b>Site activities</b>	<p><b>Primary</b> Manufacture of other textiles n.e.c.</p> <p><b>Secondary</b></p> <p><b>Other</b></p>
<b>Product type</b>	The facility specialized in manufacturing of belt
<b>Process overview</b>	<p>The facility specialized in manufacturing of belt</p> <p>The main operation: material incoming, cutting, punching, painting edge, sewing, assembly and packing.</p> <p>The main equipment: cutting machines, punching machines, sewing machines, etc.</p>
<b>What level of mechanization best describes the work at this site?</b>	Fair mechanisation / manual Labour

## Site scope

<b>Is the audited site a physically continuous area?</b>	<p>No</p> <p>The total construction area occupied by facility was about 2483 square meters. The facility rented the 9th floor of one 10-storey building as office, workshop and warehouse from the owner named "Hangzhou Xiaohong Industrial Co., Ltd." The auditee provided lease contract and business license for review, so the audit scope did not include the other floors.</p>
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## Site scope

<b>Building 1</b>	<b>Last construction works on site</b>	2023
	<b>If building is shared, provide details</b>	The facility rented the 9th floor of one 10-storey building as office, workshop and warehouse from the owner named "Hangzhou Xiaohong Industrial Co., Ltd." The auditee provided lease contract and business license for review, so the audit scope did not include the other floors.
	<b>Number of floors</b>	10
	<b>Description of floor activities</b>	1F-8F: Used by other factory 9F: Office, sample room, cutting, punching, painting edge, sewing, assembly, packing, warehouse 10F: Used by other factory

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

[← Site details](#)

[Worker analysis →](#)

## Worker accommodation and transport

**Does the site organise worker transport to the worksite?** Not provided  
There is no legal requirement. The factory did not provide transport to employees.

## Work patterns

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

**Is there any night shift work at the site?** No

## Site assessments

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

**Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?** Yes  
The site has assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

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## Site assessments

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<b>Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?</b>	No
	No legal requirement for this and there had not been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site.

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[← Site details](#)

[Worker analysis →](#)

# Worker analysis

Gender disaggregated data available      Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	10 (45.5%)	12 (54.5%)	- -	22 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	10 (45.5%)	12 (54.5%)	- -	22 (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	10 (45.5%)	12 (54.5%)	- -	22 (100%)
International migrant workers	0 -	0 -	- -	0 (0%)
<b>Total migrant workers</b>	<b>10 (45.5%)</b>	<b>12 (54.5%)</b>	<b>- -</b>	<b>22 (100%)</b>

\* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from  
 Guizhou, Hunan, Jiangxi, etc.

## Workers by age

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

\* % of total workforce

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

Describe how this may vary during peak periods The peak season was not obvious.

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	45%	55%	-	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	10 (45.5%)	12 (54.5%)	- -	22 (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	10 (45.5%)	12 (54.5%)	- -	22 (100%)
Other	0 -	0 -	- -	0 (0%)

\* % of total workforce

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

## People in managerial, supervisory and administrative roles

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

[← Worker analysis](#)

[Worker interviews →](#)

# Worker interview summary

Gender disaggregated data available      Men and women

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

## Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews      1 group of 5 workers

Did workers understand the purpose of the audit?      Yes

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

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

No

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

Favorable

## Attitude of workers

**In which areas did workers raise significant concerns or complaints?**

Other (provide details)

Actually, no complaint was raised by workers. Nearly all interviewed workers seemed to be satisfied with the working condition.

**What did the workers like the most about working at this site?**

Communication (e.g. from management)  
 Freedom of movement  
 Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)  
 Training and development  
 Work atmosphere (e.g. treatment by supervisors)

**Additional comments**

Most workers enjoyed working at this factory, and they had a good relationship with management and supervisors in general.

**Attitude of workers' committee/union representatives**

The worker representative showed that the management was kind and the workplace was comfortable. No negative information was noted. Furthermore, the worker representative was happy with the working conditions, and they stated that they could give suggestions on all parts of the site's practices.

**Attitude of managers**

The factory management agreed that the auditor could access to all facilities, compound documents and records requested by the audit, to take photo of the factory, to copy relevant document records and conduct confidential workers' interview. During the audit, management showed they were willing to gradually improve all issues found on-site. No negative information was noted.

## 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
<b>Total number of workers interviewed</b>	<b>10</b>

## Workers interviewed by group/individual

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

## Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	4	6	-	10
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>4</b>	<b>6</b>	<b>-</b>	<b>10</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	4.2%	4.2%	-	8.4%
Previous full calendar year (2023)	5.1%	4.5%	-	9.6%

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

## Rate of absenteeism (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.5%	0.7%	-	1.2%
Previous full calendar year (2023)	0.6%	0.8%	-	1.4%

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

**Are accidents recorded?**

Yes

Management had kept a record of accidents. During injury log reviewed, there was no serious injury happened in the past 12 months. Through reviewing injury procedure, the injury root cause would be analysed and the injury employees would be cure, rest and compensate once injury occurred.

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

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

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

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

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

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

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

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

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

Previous full calendar year (2023)	0.0%	0.0%	-	0.0%
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### Percentage of workers that work on average more than 60 total hours in a given week

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

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>			<p>1.This audit was conducted by one auditor on a sampling basis in 1 day.</p> <p>2.At 08:40 on the day, auditors entered the factory then held an opening meeting, the factory managements and worker representative were present in the opening meeting. They stated that they would be cooperative with this audit.</p> <p>3.The factory set up a policy which was published by the manager, covering human rights impacts and issues, and it was communicated to all appropriate parties, including its own suppliers.</p> <p>4.The factory management was cooperated and opening to the audit, all requested documents, interviewees and the facility itself are accessible, the auditor is provided with genuine and authentic records.</p> <p>5.The factory did not offer bribes or threaten the auditor, nor in any way induce the auditor to be dishonest.</p> <p>6.The factory provided an accurate site description and Sedex site profile declared prior to or during the audit.</p> <p>7.The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel.</p> <p>8.The facility has ensured accurate records are shown and audit has been conducted with full transparency and integrity.</p> <p>Details:</p> <ol style="list-style-type: none"> <li>1.Human rights statement documents</li> <li>2.Employee handbook</li> <li>3.Management interview and worker interview</li> <li>4.Social responsibility policy, procedure and work instructions</li> <li>5.Internal audits records</li> <li>6.Suppliers management procedure</li> <li>7.Business license</li> </ol>

## 0. Enabling accurate assessment

### Data points

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

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

# 1. Employment is freely chosen

## Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met**      Some Improvements Recommended

**Appoint a manager with sufficient seniority who is responsible for implementing procedures**      Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures**      Some Improvements Recommended

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

## Management systems

### Explanation for management systems grades

The factory had established policies regarding employment freedom, which clearly stated the prohibition of forced labor and described what situations were considered part of forced labor. However, the procedures lacked detailed guidelines on handling potential issues related to workers' freedom during the recruitment process. For example, there was no specific mention of how to deal with situations where workers might feel pressured to accept employment conditions. The policies were generally in line with requirements but needed further refinement.

The role(s) responsible for "Employment is freely chosen" has the necessary skills and has the seniority to manage Workplace Requirements. Facility established systems to ensure the management structure and responsibilities are reactive to changing circumstances. Management structure was effectiveness to achieve compliance sustainably over time.

The manager received relevant social responsibility training, which included content on the prohibition of forced labor. They used this knowledge to develop effective procedural documents and to conduct training for factory workers. The factory should conduct an overall evaluation of the training effectiveness of the previous year's trainings and regularly conduct training needs analysis to develop future training plans to adapt to changes in operating conditions.

Facility had effective monitors procedures, taking actions where results require it or changes to policies and processes are made. Monitoring ensured sufficient management of the Workplace Requirements in "Employment is freely chosen" on an ongoing basis. Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets were defined and utilised.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.The factory had a policy which prohibited forced labour, and this was available for review.
- 2.Through document review and worker interviews, it was confirmed that there was no forced, bonded or involuntary prison labour.
- 3.Workers were not required to lodge “deposits” or their identity papers with their employer.
- 4.The factory did not make a body search.
- 5.There was a procedure stated that employees must present their ID cards for proof of age, and only copies should be kept in the personnel files and the original given back to the workers.
- 6.The terms and conditions of employment in the handbook stated that the employees were free to leave the workplace outside of their working hours.
- 7.The employees obtained their jobs by themselves or by friend’s recommendation.
- 8.According to the Internal Company Regulations and the reviewed labour contracts the workers could resign within 30-days’ notice period, which was allowed by law.

Details:

- 1.Social accountability policy and manual
- 2.Personnel files and labour contracts
- 3.Payroll records
- 4.Resignation records
- 5.Employee handbook
- 6.Interview with management and workers
- 7.Site tour

1. Employment is freely chosen

## Data points

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

Does the site utilise any workers who are prisoners? No

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

# 1.A. Responsible recruitment and entitlement to work

## Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

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

The factory recruitment procedure was clearly mentioned in the Employee Handbook. The management system was strengthened by specific policies and processes, including the implementation of controls for compliance with the requirements of the workplace. The factory retained records necessary to demonstrate that all workers had the legal right to work.

The role(s) responsible for "Responsible recruitment and entitlement to work " has the necessary skills and has the seniority to manage Workplace Requirements. Facility established systems to ensure the management structure and responsibilities are reactive to changing circumstances. Management structure was effectiveness to achieve compliance sustainably over time.

Training was conducted according to a documented plan and one or more of the criteria are applicable. Facility provided training on its policies to its employees regularly. But they did not check if all employees understood the policies.

The manager strictly followed and monitored the execution of the procedures, ensuring that there were no cases where employees were required to pay additional fees.

[← Code area 1](#)

[Code area 2 →](#)

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<p>1.Per documents review, factory management interviews and worker interviews, all employees in the factory were Chinese, no migrant employees from other country.</p> <p>2.All employees had the proper legal rights to work in this region.</p> <p>3.The youngest employee found within the sample was 36 years old. All of them were recruited directly by the facility.</p> <p>4. No agency was used in facilities for recruitment process.</p> <p>5. Workers were hired without any recruitment fees or related costs.</p> <p>6. Work performed is on the basis of recognized employment relationship established through national law and practice.</p> <p>Details:</p> <ol style="list-style-type: none"> <li>1. Recruitment Policy and Procedures</li> <li>2. Duties and responsibilities of the Plant Head and Accounts/HR Executive</li> <li>3. Personal files</li> <li>4. Internal Regulations</li> <li>5. Management interview and worker interview</li> </ol>		

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

### Data points

#### Labour hire

Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes?	Workers are recruited, selected, and hired directly by our company
How do the labour providers recruit and hire workers?	N/A - Recruitment providers not used
Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey?	0
Are there any subcontracted workers (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
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[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 100%

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 Guizhou, Hunan, Jiangxi, etc.

## Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process? Not Applicable

Were recruitment fees or costs identified during worker interviews? No

There was no any recruitment fees or costs identified during worker interviews.

## 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**      Some Improvements Recommended

**Appoint a manager with sufficient seniority who is responsible for implementing procedures**      Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures**      Some Improvements Recommended

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

## Management systems

### Explanation for management systems grades

The factory had established a "Freedom of Association and Collective Bargaining Management Procedure," which mentioned that employees could freely elect representatives without interference from management. It also ensured that all employees understood their rights to freely form and participate in associations without fear of retaliation. However, the policy did not clearly specify how to protect employees from potential retaliation.

The factory appointed the administrative manager to assist workers in electing worker representatives, regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The administrative manager had been working in the factory for many years. The administrative department held quarterly meetings with worker representatives to discuss and follow up on the decisions made during the meeting

New employees were required to attend on-boarding training from the administrative department which included employee representative election procedure and employee freedom of association procedure. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone, including employee representative election procedure and employee freedom of association procedure. But they did not check if all employees understood the policies.

Additionally, the manager strictly followed and monitored the execution of the procedure, and workers were free to elect worker representatives, who could hold meetings and communicate with workers as necessary.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

1. The Chinese constitution guaranteed Freedom of Association; however, the Trade Union Act prevented the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China were under the management of ACFTU. And most of the trade union representatives were appointed directly by it. Additionally, the trade union activity was limited on the right to organize and bargain collectively in China.
2. The written policy on freedom of association showed that workers, without distinction, had the right to join or form trade unions of their own choosing and to bargain collectively.
3. There was no union at the site, and the election of worker representatives were conducted regularly, one worker representative was responsible for all employees' suggestion collecting and reporting.
4. The factory had policy and procedure on the responsibilities of worker representatives.
5. Worker interview confirmed that the members of the worker representative were elected by fellow workers, and they understood the role and responsibilities of representative members fully.
6. The factory had a mechanism that employees could raise their grievances directly to supervisors.

Details:

1. Interview with workers, managers and worker representative
2. Meeting records between factory management and worker representatives
3. The policy on freedom of association
4. Social accountability manual included worker representative selection program and the responsibility of the worker representatives
5. Workers representative election records of worker representatives

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

### Data points

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

[← Code area 2](#)

[Code area 3 →](#)

### 3. Working conditions are safe and hygienic

#### Management systems

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

Robust Management Systems

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

Robust Management Systems

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

Some Improvements Recommended

Monitor the effectiveness of procedures to meet policy and workplace requirements

Fundamental Improvements Required

## Management systems

### Explanation for management systems grades

The facility's policy to "Provide safe and hygienic working and living conditions to ensure the health and safety of employees" outlined the systems in place to manage this issue at the site, including all relevant requirements of the code area. Further details could be found in the "Health and Safety Related procedures."

The role(s) responsible for "Working conditions are safe and hygienic" has the necessary skills and has the seniority to manage Workplace Requirements. Facility established systems to ensure the management structure and responsibilities are reactive to changing circumstances. Management structure was effectiveness to achieve compliance sustainably over time.

Effective training and communication of policy and procedures were provided to all relevant workers, including managers and supervisors. Training was conducted according to a documented plan/ procedure, which included assessment and refresher training. Training content was updated according to need and the procedure for this is documented. However, some workers lacked awareness of machine safety and other related issues.

The factory regularly conducted internal audits of the workplace and implemented corrective and preventive measures. The safety manager also supervised and inspected the factory's health and safety on a daily basis. However, relying solely on these two measures to maintain health and safety and low employee participation, insufficient safety awareness, and a lack of clarity on what was compliant and what was not. As a result, non-compliance issues occurred.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145335</a>
	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601145336</a>
	3.R Provide clean and secure toilets, wash ar...	Local law	NC <a href="#">ZAF601145334</a>

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

3.1. General Health and Safety management

- 1.The factory conducted training on H&S to workers regularly.
- 2.The factory conducted H&S meeting regularly.
- 3.The factory had a policy and procedure on Health & Safety, and the factory managers were familiar with it. And these policies and procedures were communicated to the workforce through workers manual.
- 4.The health and safety training were conducted regularly. The factory provided training records.
- 5.Lavatory facilities were adequate in number, segregated by gender.
- 6.Potable water was provided free of charge to workers.
- 7.The canteen was not available at the site. Accommodation was not provided by the facility.
- 8.Based on the observation on site, production buildings were clean and tidy, no cracks or other abnormality in the walls of the buildings was observable.
- 9.Ventilation, temperature and lighting were adequate for the production processes.

3.2. Fire Safety.

- 1.The factory had obtained the building structure safety records and fire safety certificates for the building.
- 2.The factory was equipped with fire protection facilities and apparatuses under the national standards and industrial standards, set up fire safety signs, and conduct monthly testing and maintenance so as to ensure that they were in good condition and effective.
- 3.There were at least 2 exits from each work area and these were clearly marked. The exit was clear and unblocked.
- 4.Fire-fighting facilities were inspected once every month, and check records were available.
- 5.The factory had a relevant fire evacuation plan in each area.
- 6.The factory conducted fire drills and emergency evacuation exercise twice per year. The latest firefighting drill was conducted on 07 May 2025.
- 7.All evacuation aisles were clear and unblocked and its width was enough.

3.3Electrical safety

- 1.All of the electrical appliances were maintained in good condition such as sockets, plugs, switches and main fuse boards.
- 2.The factory hired an electrician. And copy of the qualified certificate was provided for review.
- 3.The factory provided monthly inspection records of electrical appliances.

3.4. Equipment safety

- 1.All of equipment was in good condition, and the workers had been trained in the proper use of equipment.

- 2.No accident or injury had occurred up to the audit date.
- 3.Accident records were kept and provided for review.

#### 3.5. Medical services

- 1.The first aid kits were equipped in production area.
- 2.Two qualified first aiders were available in the factory.

#### 3.6. Chemical safety

- 1.Through site tour, chemical such as edge paint, lubricating oil, etc were used in workshops.
- 2.Through site tour, it was found that the MSDS (Material Safety Data Sheet) were available for the chemicals used and stored area at the facility.
3. Some chemicals were provided with second container.

#### Details:

- 1.Health and safety policy and manual
- 2.Health and safety committee minutes
- 3.Training records and certificates
- 4.Fire equipment maintenance records
- 5.First aider certificates
- 6.Fire drill and evacuation records
- 7.Building structure safety certificates
- 8.Fire safety certificates
- 9.Checks on fire equipment
- 10.Government licenses
- 11.Electrician certificate
- 12.Potable water testing report
- 13.Site tour
- 14.H&S manager and committee members interviews
- 15.Workers interviews

# Findings: non-compliances

ZAF601145335

Non-compliance

Due 2025-11-20

## Code area

3 Working conditions are safe and hygienic

## Status

Open\*

## Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

## Time given to resolve

30 days

## Issue title

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

## Verification method

Desktop audit

## Description

Safety facilities for some chemicals were not compliant with legal requirement. During facility tour, auditor found that chemicals such as edge paint, lubricating oil were used in production workshop, but there was no secondary containment. 部分化学品储存的安全设施不符合要求。在现场巡查时, 审核员发现在生产车间使用了化学品(皮革涂边油和润滑油), 但没有按要求设置防泄漏安全措施。

## Area of non-compliance/non-conformance

Local law

## Corrective and preventative actions

It is recommended that the facility should set up the corresponding safety facilities and equipment in workshop or warehouse for hazardous chemicals as per legal requirement. 建议企业应当在危险化学品的使用及储存场所设置相应的安全设施。

## Local law reference

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

[← Code area 3](#)

[Code area 4 →](#)

**Evidence**



[No secondary containment for chemicals \(2\).jpg](#)



[No secondary containment for chemicals \(1\).jpg](#)



\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF601145336**

**Non-compliance**

Due 2025-11-20

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

**Time given to resolve**

30 days

**Verification method**

Desktop audit

**Issue title**

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

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

Local law

**Description**

No safety label for some chemicals. During facility tour, auditor found that there were no labels for chemicals (such as edge paint and lubricating oil) using at production workshop.部分化学品没有安全标识。在现场巡查时，审核员发现在生产车间使用的化学品（如皮革涂边油和润滑油）没有标识。

**Corrective and preventative actions**

It is recommended that safety labels should be attached for all chemicals for identification. 建议企业应对所有使用的化学品进行标识。

[← Code area 3](#)

[Code area 4 →](#)

**Local law reference**

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

**Evidence**



[No safety label posted on chemicals \(2\).jpg](#)



[No safety label for chemicals \(1\).jpg](#)



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**ZAF601145334**

**Non-compliance**

Due 2025-12-20

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Verification method**

Desktop audit

**Issue title**

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

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

Local law

**Description**

No gap between the stacks and the wall in the warehouse. During facility tour, auditor found that the finished goods stacks were stored against wall in the warehouse, which was less than the legal requirement of 0.5 meters. 货物靠墙堆放。在现场巡查时，审核员发现工厂成品垛与墙的间距为0，小于法定0.5米的要求。

[← Code area 3](#)

[Code area 4 →](#)

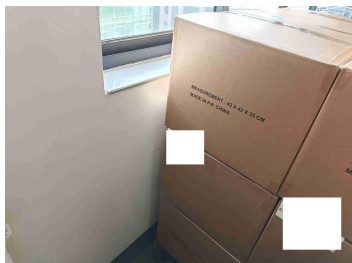
### Corrective and preventative actions

It is recommended that management should adopt practices and a control to ensure that the finished goods stacks were piled more than 0.5 meters from the wall. 建议工厂确保成品垛与墙的距离符合法律要求。

### Local law reference

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

### Evidence



[No gap between finished goods stacks and wall.jpg](#)



\* PDF generated at 12:22 (UTC) on 21 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes  The workers were exposed to chemicals (such as edge paint, lubricating oil, etc) during working. And the facility provided training on chemicals and personal protective equipment to them and the PPE was also provided free of charge for worker to use.
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  There were no structural additions in the factory.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No

[← Code area 3](#)

[Code area 4 →](#)

Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally? No

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Does the site have a structural engineer evaluation? Yes

## 4. Child labour shall not be used

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

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

## Management systems

### Explanation for management systems grades

The factory established a policy prohibiting child labor and the age of all job applicants must be strictly verified. The procedures stipulated that the factory prohibits the use of child labor and the age of applicant will be strictly verified. The procedures were compiled by the administrative department, reviewed by the administrative manager, and approved by the General Manager.

The factory appointed the administrative manager as the main person in charge of preventing child labor procedures. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The administrative manager had been working in the factory for many years and has a good understanding of the policy content and the situation of the factory.

New employees were required to attend on-boarding training from the Management which included prohibiting child labor and age of applicants verification. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone.

Before employees are hired, the factory conducts a detailed review of their basic information to avoid recruiting child labor. Afterward, the factory regularly verifies employee information. Additionally, the factory has established measures for remedying child labor situations to ensure that appropriate remedial actions can be taken promptly in case child labor is found within the factory.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.The factory had established the recruitment procedure on prohibiting child labour and communicated to workers and wrote into the employee handbook.
- 2.The recruitment of workers could only be carried out by the HR department of the factory.
- 3.Based on documents review, there was no child labour in the factory.
- 4.The youngest worker on site was 36 years old who was born on 10 January 1989 and entered in the factory on 05 March 2010.
- 5.Based on the management review, employees' and photo should be checked at the point of recruitment. The employee without valid ID certificate should not be hired.
- 6.Remark: In China, minimum age of worker was 16 years old. Workers between 16-18 were regarded as young labour.
- 7.Personal files showed that all employees were above the age of 16 years old when hired by the factory and no child labour or young worker was identified.
8. Through management interview, worker interview and document review, it was found the facility had child labor remediation policies and procedures. Once child labor was found, child labor must be stopped immediately, but child labor must not be dismissed immediately, and child labor protection should be taken immediate measures and notify local government departments in time. Child labor remediation policies and procedures included the following contents: 1. Immediately terminated work, left the workplace, contacted a legal guardian, and arranged free and safe accommodation; 2. Arranged health checks for the child with the consent of the child and his/her family; 3. Terminated labor relations and settled labor remuneration; 4. Payment of child subsistence allowance until the age of 16; 5. Arranged them to study until the age of 16, and the cost shall be borne by the facility; 6. If the child worker himself wished to continue working in the facility, the facility shall offered him the opportunity after his sixteenth birthday; 7. Kept all the above documents and records.

Details:

- 1.Recruitment policy and procedure
- 2.Interview with management and workers
- 3.Site tour
- 4.Recruitment procedure
- 5.Latest employee list
- 6.Personnel files of all workers

#### 4. Child labour shall not be used

## Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	36
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

## 5. Legal wages are paid

### Management systems

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

## Management systems

### Explanation for management systems grades

The factory established a policy about the wages requirement of workers. The procedures stipulated that the factory should pay employees' wages (including overtime) correctly according to local requirements and the wages should be above local minimum wage standard. The procedures were compiled by the Management, and approved by the General Manager.

The role(s) responsible for " Legal wages are paid " has the necessary skills and has the seniority to manage Workplace Requirements. Facility established systems to ensure the management structure and responsibilities are reactive to changing circumstances. Management structure was effectiveness to achieve compliance sustainably over time.

New employees were required to attend on-boarding training from the Management which included how to calculate the wages and so on. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone if some clause was updated. Some employees have informed that the number of training sessions at the factory is limited, and sometimes if they happen to take leave and are not at the factory, they will miss relevant training. Moreover, the factory will not arrange separate training for a small number of people.

The manager monitored the workers and required them to follow the relevant requirements. However, no evidence of process or actions taken based on the monitoring results, such as welfare policies were not well understood. The factory did not provide retraining and assessment.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.All employees were paid by monthly wages, and the minimum wages were ensured. All workers were paid at least RMB 17.24 per hour which was above the legal minimum wage; the legal minimum wage was RMB2490 per month equivalent to RMB 14.31 per hour since 01 April 2024.
- 2.The payroll records from September 2024 to August 2025 were provided and sampling checked during this audit.
- 3.Attendance records from 01 September 2024 to audit day were provided for review.
- 4.Workers' wages were paid around the 30th of the next month by bank transfer and each worker was given a pay slip and signed for their wages.
- 5.The factory established a policy on wages and benefits.
- 6.Through the interview with the workers, it was confirmed that the workers could choose to work overtime voluntarily, and the factory would pay the overtime wage.
- 7.The factory paid OT compensation in line with legal requirements which were 150% and 200% of regular pay for overtime work on regular weekdays and rest days respectively. (Remark: no overtime hours were noted on holidays through payrolls and attendance records review, however, as per factory policy and interview, the overtime hours on holidays would be paid by 300% of normal wage).
- 8.No other deductions from wages as a disciplinary measure were required in the factory.

Details:

- 1.Wages and benefits policy and procedure
- 2.Local and national laws
- 3.Local legal min wage documents
- 4.Payroll records from September 2024 to August 2025
- 5.Attendance records from 01 September 2024 to audit day
- 6.Labour contracts for all workers
- 7.Resignation records
- 8.Production records
- 9.Social security insurance payment receipts
- 10.Worker interview and management interview

## 5. Legal wages are paid

### Data points

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

### Worker remuneration

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

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

[← Code area 5](#)

[Code area 5.A →](#)

<b>Actual required working hours</b>	<b>Required hours per day</b>	8.0
	<b>Required hours per week</b>	40.0
	<b>Required hours per month</b>	184.0
<b>Maximum legal overtime hours</b>	<b>Max hours per day</b>	3.0
	<b>Max hours per week</b>	Non applicable
	<b>Max hours per month</b>	36.0
<b>Actual overtime hours</b>	<b>Max hours per day</b>	2.0
	<b>Max hours per week</b>	14.0
	<b>Max hours per month</b>	62.0
<b>Minimum legal wage</b>	<b>Min per hour</b>	14.31
	<b>Min per day</b>	Non applicable
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	2490.0
<b>Actual minimum wage</b>	<b>Actual per hour</b>	17.24
	<b>Actual per day</b>	Non applicable
	<b>Actual per week</b>	Non applicable
	<b>Actual per month</b>	3000.0
<b>Minimum legal overtime wage</b>	<b>Min per hour</b>	21.47
	<b>Min per day</b>	Non applicable
	<b>Min per week</b>	Non applicable
	<b>Min per month</b>	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual minimum overtime wage	Actual per hour	25.86
	Actual per day	51.72
	Actual per week	379.28
	Actual per month	1672.42

## Wage analysis

Number of workers' records checked 30

Provide the date and details of the records  
 10 samples from December 2024 (Random month)  
 10 samples from May 2025(Random month)  
 10 samples from August 2025(Current month)

Are there different legal minimum/legally recognised CBAs wage grades? No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs? Above legal minimum

Indicate the breakdown of workforce per earnings 100% workforce earn above the legal minimum wage.

Are there any bonus schemes used? No

Were accurate records shown at the first request? Yes

Were any inconsistencies found? No

## 5.A. Living wages are paid

### Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
<b>Systems and evidence examined to validate this code section</b>	<ol style="list-style-type: none"> <li>The facility increased the items about living wages in the wages and benefits policy and procedure, which ensure all employees' monthly wage exceeded the minimum living wage.</li> <li>The factory fully calculates the living wage and provides relevant instructions to the employees. The calculation method is one of the six benchmarks and aligns with the ILO's ten principles. The facility used the Anker method to calculate the living wage, the living wage is the number of sum of total household living costs and contingency reserve divided by the number of full time workers per household, total household living costs includes the following key components; food costs, housing costs, and other essential expenses such as education costs, healthcare costs, transportation costs, clothing and personal care, utilities, recreational and social activities. The factory calculated a decent living wage of RMB 2640 for its employees. It was more than the local legal minimum wage of RMB 2490 but less than the factory minimum basic wage of RMB 3000.</li> <li>The facility has a wage improvement plan for all employees.</li> <li>There was an annual review for the living wages.</li> </ol> <p>Details:</p> <ol style="list-style-type: none"> <li>Wages and benefits policy and procedure.</li> <li>Local and national laws.</li> <li>Local legal min wage documents.</li> <li>Worker interview and management interview.</li> <li>Investigation records for living wages.</li> <li>Annual review records for living wages.</li> <li>Comparison records for workers monthly wages and living wages.</li> </ol>		

## 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	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

## Management systems

### Explanation for management systems grades

The facility's policy to "Working hours management program " and employee handbook outlined the systems in place to manage this issue at the site, including all relevant requirements of the code area. Further details could be found in the "Compensation management procedure".

The factory appointed an Administrative & HR Manager responsible for managing workers' working hours, including checking attendance records on a monthly basis. The Administrative & HR Manager had been working in the factory for many years. However, the Administrative & HR Manager did not have a certificate in human resource management and was not familiar with the Modern Slavery Act 2015, the European Parliament and Council's proposal to prohibit products made with forced labour on the Union market, the corporate sustainability due - diligence directive, etc. However, the job description for the HR team did not have these responsibilities.

Effective training and communication of policy and procedures were provided to all relevant workers, including managers and supervisors. Training was conducted according to a documented plan/ procedure, which included assessment and refresher training. Training content was updated according to need and the procedure for this is documented. Facility did not conduct effective assessment of understanding of those receiving training to ensure a high level of efficacy.

The site regularly audits working hours and attendance records. Payroll and attendance records are cross-checked to prevent:

- Unrecorded overtime.
- Excessive hours.
- Missing rest days.

Workers are interviewed to verify that overtime is voluntary and they are not being overworked.

However, there was no regular review of overtime working hours. Systemic violation on overtime working hours is found

## 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	NC <a href="#">ZAF601145337</a>

[← Code area 5.A](#)

[Code area 7 →](#)

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

- 1.The working hours in the factory were recorded by electric attendance system. As per the time records of employees and interview with the workers, they scanned fingerprint when they went in and out the factory.
- 2.All employees' attendance records from 01 September 2024 to audit day and payroll records from September 2024 to August 2025 were provided for reviewing.
- 3.All workers had 6 days per week and 8 hours per day as normal working hours.
- 4.The peak season was not obvious according to management and worker interview.
- 5.It was found that all workshop workers in one shift from 08:30 to 17:30 with one hour for lunch break from 11:30 to 12:30. All workshop workers always worked 8 hours' overtime on Saturdays.
- 6.Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records.
- 7.All workers had at least one day off per week.

Details:

- 1.Factory policy on working hours
- 2.Local and national laws
- 3.Workers contracts
- 4.Payroll records from September 2024 to August 2025
- 5.Attendance records from 01 September 2024 to audit day
- 6.Computerised time logging system
- 7.Production and quality records to cross check hours
- 8.Management interview and worker interview

# Findings: non-compliances

ZAF601145337

Non-compliance

Due 2025-12-20

## Code area

6 Working hours are not excessive

## Status

Open\*

## Workplace requirement

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

## Time given to resolve

60 days

## Issue title

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

## Verification method

Follow up audit

## Description

Monthly overtime hours exceeded the legal requirement (maximum 36 overtime hours per month). During document review, it was noted that 28 out of 30 sampled employees worked in excess of the statutory overtime hour limits. Per the randomly selected 30 employees' attendance (10 samples from random month December 2024, 10 samples from random month May 2025 and 10 samples from the current month August 2025) yielded the following: (1) the monthly overtime hours of all 10 randomly selected employees ranged from 40 hours to 62 hours in August 2025 (current month). (2) the monthly overtime hours of 9 out of 10 randomly selected employees were 54 hours in May 2025 (random month). (3) the monthly overtime hours of 9 out of 10 randomly selected employees were 56 hours in December 2024 (random month). 月加班时间超过法规要求（最高每月36小时）。审核发现，随机抽取的30名员工样本中的28名员工的月加班时间超过了法定标准，其中从随机月2024年12月抽取10个，从随机月2025年05月抽取10个，从最近发薪月份2025年08月抽取10个考勤发现：（1）2025年08月（当前月）抽取的所有10名员工样本的月加班时间为40-62小时。（2）2025年05月（随机月）抽取的所有10名员工样本中的9名员工的月加班时间为54小时。（3）2024年12月（随机月）抽取的所有10名员工样本中的9名员工的月加班时间为56小时。

## Area of non-compliance/non-conformance

Local law

## Corrective and preventative actions

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month. 建议企业应减少员工的加班时间确保每月的加班时间不超过36小时。

[← Code area 6](#)

[Code area 7 →](#)

**Local law reference**

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

**Evidence**

[Workers' monthly overtime hours exceeded the legal requirement \(3\).jpg](#)



[Workers' monthly overtime hours exceeded the legal requirement \(2\).jpg](#)



[Workers' monthly overtime hours exceeded the legal requirement \(1\).jpg](#)



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## 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?	As per local law, the facility should pay not less than 150%, 200% and 300% of normal wage for extension of working hours on weekday, rest days and holidays respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	52.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

[← 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**      Some Improvements Recommended

**Appoint a manager with sufficient seniority who is responsible for implementing procedures**      Some Improvements Recommended

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures**      Robust Management Systems

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

## Management systems

### Explanation for management systems grades

The factory established discrimination policy. The procedures stipulated that the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement. Additionally, the factory has established written policies and procedures for gender equity programs, policies targeting gender barriers, and workplace gender equity projects that cover recruitment, training, development, promotion, or specific groups. The factory regularly collects and analyzes gender related data to evaluate the implementation effectiveness of gender equity policies. The procedures were compiled by the Management, and approved by the Manager. But the policies are not well-communicated or regularly reviewed.

The HR department in the factory was responsible for ensuring the implementation of policies and procedures prohibiting discrimination. But the HR personnel lack specific training on managing discrimination complaints.

Effective training and communication of policy and procedures were provided to all relevant workers, including managers and supervisors. Training was conducted according to a documented plan/ procedure, which included assessment and refresher training. Training content was updated according to need and the procedure for this is documented. Facility conducted effective assessment of understanding of those receiving training, ensuring a high level of efficacy.

The factory had set anti-discrimination target indicators, and the HR department tracked whether there were any discrimination cases every quarter. However, the oversight was insufficient, and there was a lack of records to support the follow-up.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.The factory had an anti-discrimination policy and a gender equity policy and communicated them to employees. Anti-discrimination and gender equity procedures on hiring, compensation, promotion and access to training were available.
- 2.One senior manager was responsible for the management of this item of the code.
- 3.The distribution of wages follows the principle of distribution according to work and equal pay for equal work. Male and female workers received equal pay for equal work regardless of gender.
- 4.There was an internal grievance process. If workers found discrimination in the factory, they could respond through the suggestion box.
5. The factory had a comprehensive equity approach, including:
  - a. Policies and procedures on gender equity and other non-discrimination aspects (e.g., race, caste, national origin, religion, age, disability, marital status, sexual orientation, union membership, political affiliation).
  - b. A standalone equity and inclusion action plan, not limited to gender.
  - c. Policies or activities addressing barriers related to gender and other protected characteristics.
  - d. On-site initiatives promoting gender and diversity equity.
  - e. Partnerships with independent third parties (e.g., NGOs) focusing on equity, diversity and inclusion.
  - f. The equity approach was covered in recruitment, training, development and promotion processes, ensuring fair opportunities for all workers regardless of gender, race, religion, age, disability, marital status, sexual orientation, union membership or political affiliation.

Details:

- 1.Anti-discrimination policy and gender equity policy
- 2.Leave application records and termination records
- 3.Employee handbook
- 4.The hiring and termination procedure
- 5.Attendance records
- 6.Training records
- 7.Interview with management and workers

7. No discrimination is practiced

## Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? 0%

Representation of women in managerial roles (ratio of women workers to women managers) 0%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 0%

Three most common nationalities in managerial and supervisory roles All managerial and supervisory roles were Chinese.

## 8. Regular employment is provided

### Management systems

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

## Management systems

### Explanation for management systems grades

The factory established employment policy. The procedures stipulated that All employees should be recruited by the factory directly and receive training about employment policy when employed. No labor agency was used to hire worker. No temporary worker, apprenticeship schemes or home worker according to the policy. The procedures were compiled by the Management, and approved by the General Manager.

The factory appointed the administrative manager responsible for implementing policies. Regularly communicate with worker representatives, follow up on worker representative meetings, and report to the factory management. The administrative manager had been working in the factory for many years and has a good understanding of the policy content and the situation of the factory.

New employees were required to attend on-boarding training from the Management and the handbook was provided about the employment policy. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone. But they did not check if all employees understood the policies.

The factory does not regularly evaluate its recruitment practices, nor does it periodically revise its recruitment requirements in accordance with its own development and changes in the law. Furthermore, it has not formulated necessary corrective measures for potential deficiencies.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.The factory had established the policy of the recruitment process and the management was fully understood of the entire recruitment process.
- 2.All permanent workers were recruited by the factory directly.
- 3.The factory did not use agency recruitment.
- 4.There was no temporary worker.
- 5.Workers did not pay recruitment fee at any stage of the recruitment process.

Details:

- 1.Recruitment policy
- 2.The hiring and termination practices
- 3.Personal files and labor contracts
- 4.Payroll records were provided for review
- 5.Interview with management interview and workers

8. Regular employment is provided

## Data points

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

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

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Some Improvements Recommended

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

## Management systems

### Explanation for management systems grades

The factory established Sub-contracting and homeworkers policy. The procedures stipulated that no sub-contracting or home working should be used in the factory. However, the subcontractor may use when peak production season. The procedures were compiled by the Management, and approved by the Manager.

The factory designates personnel responsible for implementing and overseeing the prohibition of homeworkers and unauthorized subcontracting within its operations, while also monitoring suppliers and subcontractors for any use of homeworkers or unauthorized subcontracting. Regular audits are conducted on the factory's internal practices, subcontractors, and suppliers to ensure compliance with ethical standards related to wages, working hours, and worker safety.

The manager received relevant social responsibility training, including use subcontractor requirements and homeworkers. The factory should conduct an overall evaluation of the training effectiveness of the previous year's trainings and regularly conduct training needs analysis to develop future training plans to adapt to changes in operating conditions.

The manager strictly followed and monitored the execution of the procedure if subcontractors and homeworkers were used. The factory conducted a CSR assessment of the suppliers and closely tracked the improvement of the problems identified by the assessment.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 8](#)

[Code area 9 →](#)

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

1. There was no sub-contractor used by the company.
2. There was no homeworker found during this audit.

Details:

1. List of approval supplier and sub-contractors
  2. Production records
  3. Interview with management and workers
  4. Site tour
-

## 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 homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No  
There was no homemaker found during this audit.

#### Sub-contracting

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

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used?

No

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[← Code area 8.A](#)

[Code area 9 →](#)

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## 9. No harsh or inhumane treatment is allowed

### Management systems

**Develop and maintain relevant policies and procedures to ensure workplace requirements are met** Robust Management Systems

**Appoint a manager with sufficient seniority who is responsible for implementing procedures** Robust Management Systems

**Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures** Robust Management Systems

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

## Management systems

### Explanation for management systems grades

The factory established no harsh or inhumane treatment policy. The procedures stipulated that no harsh or inhumane treatment in factory. If similar incidents occur, report to the management immediately. The procedures were compiled by the Management and approved by the General Manager.

The factory has established multiple complaint channels such as suggestion boxes and supervisor hotlines, allowing employees to make complaints anonymously. The factory maintains complete records of all complaints. The administrative manager is authorized to address various reasonable demands made by employees within the scope of their authority

New employees were required to attend on-boarding training from the Management and the handbook was provided about No harsh or inhumane treatment policy. According to factory management and workers interview, the factory also held an annual training on factory procedure documents for everyone.

The facility management strictly implements monitoring no harsh or inhumane management procedures in accordance with PDCA system, taking action or making changes to policies and procedures as results require. Monitoring ensures that the workplace requirements of this base code area are adequately managed on an ongoing basis.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

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

- 1.As per management interviews, document review and workers interviews, there was a policy on Harsh Treatment. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- 2.There was an internal process for grievance, which was an anonymous suggestion box. Workers could report any grievances anonymously (harassment, bullying, discrimination etc.).
- 3.Through workers interviews, it was confirmed that there was no harsh or inhumane treatment.
- 4.Neither agency staff nor foreign worker was found during this audit.

Details:

- 1.The relevant policy on prevention of harassment and abuse
- 2.Internal grievance procedure documentation
- 3.Disciplinary action records
- 4.Grievance records
- 5.Training records
- 6.Interview with management and workers

9. No harsh or inhumane treatment is allowed

## Data points

<p><b>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</b></p>	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p> <p>The grievance process is available to members of the local community</p>
<p><b>What type of grievance mechanism(s) are available?</b></p>	<p>The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violation of labour standard and E&amp;H or any other grievances. And the reporter would be confidential for all reporters.</p>
<p><b>Number of grievances raised in the last 12 months</b></p>	<p>0</p>
<p><b>Number of grievances resolved in the last 12 months</b></p>	<p>0</p>

## 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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

[← Code area 9](#)

## Management systems

### Explanation for management systems grades

The facility's policy to "Promote environmental protection work and enhance enterprise environmental awareness" outlined the systems in place to manage this issue at the site, including all relevant requirements of the code area.

The factory appointed the administrative manager responsible for implementing policies. The meeting minus with employees especial the management level about the environment issues was kept properly. The administrative manager had been working in the factory for many years and has a good understanding of the policy content and the situation of the factory. However, administrative manager is not particularly familiar with the relevant requirements and regulations during the management interview.

The manager received environmental protection related law training. They used this knowledge to develop effective procedural documents and to conduct training for factory workers. But the communication about environmental policies or legal changes is limited or not regularly updated.

The factory collected monthly data on water and electricity usage, but did not analyze or compare the data, nor did it consider ways to improve efficiency to save water and electricity. Additionally, the factory did not regularly audit the handling of solid waste to ensure compliance with regulatory requirements.

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 9](#)

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

- 1.The factory had policies and procedures for environmental protection.
- 2.One senior manager was responsible for continuous improvements in their environmental performance.
- 3.The factory had provided environment training for relative management and workers per year and kept relative training records.

Details:

- 1.Environment policy & procedure
  - 2.Worker and management interviews
  - 3.Record of environmental impact appraisal document
  - 4.Site tour
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[← Code area 9](#)

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10.A. Environment 2–Pillar

## Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?

No

Does the site have any valid environmental or energy management certificates?

N/A

Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?

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](#)

## Attachments



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