

# Sedex Members Ethical Trade Audit Report

Version 7



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## Audit content

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

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

### Included in a 2-Pillar audit:

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

### Included in a 4-Pillar audit:

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

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

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

# Audit and site details

## Audit details

<b>Sedex company reference</b>	ZC1006260	<b>Auditor company name</b>	Centre Testing International Group Co Ltd.
<b>Date of audit</b>	2024-11-22	<b>Audit conducted by</b>	Sedex member
<b>Audit pillars</b>	Labour Standards   Health and safety		

## Site details

<b>Sedex site reference</b>	ZS1058105	<b>Site name</b>	Wuhu Best Cooperation Footwear Co Ltd
<b>Business name</b>	Best Cooperation Footwear Co LTD	<b>Site address</b>	241000 18Huangshan East Road,Jiujiang District,Wuhu city,Anhui province,China 安徽省芜湖市鸠江区黄山东路18号, 芜湖, CN
<b>Site phone</b>	0553-8296586	<b>Site email</b>	sales5@bctexgroup.com

# Audit parameters

Time in and out	Day 1	
	In	08:36
	Out	16:48

Audit type: Periodic

Was the audit announced?: Semi announced

Was the Sedex SAQ available for review?: Yes

Who signed and agreed CAPR?: Mr. Zhang Hao / QA 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	Yes
<b>B: Present at the audit?</b>	Yes	Yes	Yes
<b>C: Present at the closing meeting?</b>	Yes	Yes	Yes
<b>Reason for absence at the opening meeting</b>			
<b>Reason for absence during the audit</b>			
<b>Reason for absence at the closing meeting</b>			

# SMETA declaration

## Auditor team

### SMETA declaration

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

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

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

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

The actual audit date is November 22, 2024.

### Lead auditor

Wei Wang

### APSCA Number

21700810

### Additional auditor

### Date of declaration

2024-11-22

## 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. Zhang Hao
<b>Title</b>	QA Manager
<b>Date of declaration</b>	2024-11-22





































## Summary of findings


Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...		NC <a href="#">ZAF600715743</a>
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC <a href="#">ZAF600715744</a>
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§2	NC <a href="#">ZAF600715745</a>


## Local law issues


- §1 According to the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
- §2 PRC Labor Act (1995), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in month shall not exceed thirty-six hours.


## Management systems













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


 Not addressed


 Fundamental improvements required


 Some improvements recommended


 Robust management systems

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

# Site details

## Company and site details

Sedex company reference	ZC1006260	
Sedex site reference	ZS1058105	
Company name	Best Cooperation Footwear Co LTD	
Business ownership type	GOODS	
Site name	Wuhu Best Cooperation Footwear Co Ltd	
Site name in local language	芜湖神合鞋业有限公司	
GPS location	GPS address	NO.18 East Huangshan Road,Qingshui Street, Jiujiang District, Wuhu City, Anhui Province, China
	Coordinates	Latitude: N 31°19'32" Longitude: E 118°27'26"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Mr. Zhang Hao
	Job title	QA Manager
	Phone number	0553-8296586
	Email	sales5@bctexgroup.com
Applicable business and other legally required business license numbers and documents	Business license No. is 913402007139810480, which valid from 4th January 2000 to long time valid. This is an sem-unannounced audit which audit period from 28th October 2024 to 25th November 2024. The actual audit date is 22 November 2024.	

## Site activities

Site function	Factory Processing/Manufacturer
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## Site activities

Site activities	Primary	Manufacture of footwear
	Secondary	
	Other	
Product type	Indoor slipper	
Process overview	Punching, embroidery, sewing, hand working, inspection, oven, packing Totally 50 sets of sewing machines, 7 sets of embroidery machines, 6 sets of punching machines, 2 set of oven line, 1 set of metal detector	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

## Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	4800m <sup>2</sup>	
Building 1	Last construction works on site	1999
	If building is shared, provide details	2nd floor and half of 1st floor was occupied by another facility named Wuhu Jiahe Garment Co.,Ltd, it's main product is garment.
	Number of floors	2
	Description of floor activities	1st floor: raw material warehouse and another half was occupied by another facility named Wuhu Jiahe Garment Co.,Ltd and used as warehouse. 2nd floor: Occupied by another facility named Wuhu Jiahe Garment Co.,Ltd and used as workshop.
Building 2	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	1st floor: punching workshop and embroidery workshop

## Site scope

<b>Building 3</b>	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	1st floor: sewing workshop, hand working workshop and inspection workshop
<b>Building 4</b>	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	1st floor: packing workshop and oven workshop
<b>Building 5</b>	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	1st floor: finished good warehouse and packing workshop.
<b>Building 6</b>	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	2
	Description of floor activities	1st floor: Office, sampling room 2nd floor: Office, sampling room and showroom
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

## Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided N/A, no dormitory provided to workers.

## Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	March	90-95%	April	90-95%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	90-95%	December	90-95%

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

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
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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 company assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community prior to construction.
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Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	Yes The facility had conducted human right impact assessment in June 2024.
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# Worker analysis

Gender disaggregated data available

Men and women

## Worker totals

	Men	Women	Other	Total
Number of workers	21 (29.2%)	51 (70.8%)	- -	72 (100%)

## Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	- -	- -	- -	0 (0%)
Temporary or fixed term employees	21 (29.2%)	51 (70.8%)	- -	72 (100%)
Agency or subcontracted workers	- -	- -	- -	0 (0%)
Seasonal workers	- -	- -	- -	0 (0%)
Self-employed workers	- -	- -	- -	0 (0%)
Informal workers including home workers	- -	- -	- -	0 (0%)
Apprentices, trainees or interns	- -	- -	- -	0 (0%)

\* % of total workforce

## Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	1 (1.4%)	1 (1.4%)	- -	2 (2.8%)
International migrant workers	- -	- -	- -	0 (0%)
<b>Total migrant workers</b>	<b>1 (1.4%)</b>	<b>1 (1.4%)</b>	<b>- -</b>	<b>2 (2.8%)</b>

\* % of total workforce

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

Two domestic migrant workers from Sichuan and Jiangsu.

## Workers by age

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

\* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? Yes

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	29%	71%	-	100%

## Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	21 (29.2%)	51 (70.8%)	- -	72 (100%)
Workers paid based on a mix of 'piece work' and hourly rate	- -	- -	- -	0 (0%)
Workers paid hourly / daily rate	- -	- -	- -	0 (0%)
Salaried workers	- -	- -	- -	0 (0%)

\* % of total workforce

## Workers by payment cycle

	Men	Women	Other	Total
Paid daily	- -	- -	- -	0 (0%)
Paid weekly	- -	- -	- -	0 (0%)
Paid monthly	21 (29.2%)	51 (70.8%)	- -	72 (100%)
Other	0 (0%)	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
Supervisors or team leaders	- -	- -	- -	0
Administrative staff	4 (5.6%)	3 (4.2%)	- -	7

# Worker interview summary

Gender disaggregated data available      Men and women

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

## Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews      Total 10 workers interviewed, including 5 were interviewed individually and 5 were interviewed in 1 group (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?	Facilities (e.g. rest area, recreation, canteen) Training and development
What did the workers like the most about working at this site?	Work environment – comfort (e.g. temperature, noise or dust levels) Equal opportunities Hours worked, rest days or breaks
Additional comments	Nil.
Attitude of workers' committee/union representatives	Employee representative was elected in the company. One employee representative was sampled for interview. The interview was conducted in the absence of any staff or management representatives, assuring the respondents total confidentiality of the views that they expressed. As per the employee representative's representation, the management always respected rights of freedom of association. All employees could communicate their suggestions or complaints to the management face to face, or send email without any discrimination and punishment. The management would take the concerns into consideration immediately and improve as soon as possible when any suggestions or complaints were collected. No negative information was provided by interviewee during the interview.
Attitude of managers	At the opening meeting, auditor explained the audit scope and the audit standard to the company representatives. Factory tour, document review, interviews with management members and workers were conducted as scheduled in the audit programs, a full audit was finished under the co-operation of the company representatives. At the end of the audit, auditor had a closing meeting with company representatives and all findings were discussed. company management signed the CAP and was given a copy.

## Workers interviewed by type

	Total
Permanent workers	0
Temporary or fixed-term employees	10
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	1	4	-	5
Workers interviewed individually	1	4	-	5

### Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	1	-	3
International migrant workers interviewed	0	0	-	0
<b>Total migrant workers interviewed</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>

# Measuring workplace impact

Gender disaggregated data available      Men and women

## Annual worker turnover (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	2.0%	-	2.0%
Last full calendar year (2023)	5.0%	5.0%	-	5.0%
Previous full calendar year (2022)	6.0%	8.0%	-	7.0%

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

## Rate of absenteeism (%)\*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	4.0%	6.0%	-	5.0%
Previous full calendar year (2022)	2.0%	4.0%	-	3.0%

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

Are accidents recorded?      Yes

Relevant accident records were reviewed for the past two years.

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

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

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

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

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

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

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

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

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

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

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

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

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

# 0. Enabling accurate assessment

## Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
<b>Systems and evidence examined to validate this code section</b>	<p>Current systems:</p> <ol style="list-style-type: none"> <li>1. The audit was full. The audit company allowed the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and the facility itself. The audited company provided the auditor with genuine and authentic records.</li> <li>2. The audited company did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest.</li> <li>3. The audited company provided an accurate site description during the audit.</li> <li>4. The audited company maintained an approved written human rights policy statement at the most senior level, and communicated to all personnel, and trained to relevant personnel.</li> <li>5. No finding was noted.</li> </ol> <p>Evidence examined – to support system description:</p> <ol style="list-style-type: none"> <li>1. Factory tour</li> <li>2. Management interview, employees interview</li> <li>3. Documents review such as Social Responsibility Management Manual, employee handbook, regular training records etc.</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

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

# 1. Employment is freely chosen

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1.The company had developed and maintained formally documented policies and procedures such as policies of prohibiting forced, bonded and prison labor to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies and procedures stated that employees were employed on a voluntary basis, and they were free to leave the facility or resigning.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. According to interview with workers and management, overtime was voluntary, and workers could choose work overtime or not independently.</p>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. There was no forced, bonded, or involuntary prison labor.
2. The policies and procedures which prohibited forced labor were available for review.
3. A non-formalized application stated that workers must present their ID's for proof of age but only copies of ID must be kept in the personnel files and the original given back to the workers.
4. According to interview with workers and management, overtime was voluntary, and workers can independently choose whether or not to work overtime.
5. No finding was noted.

Evidence examined – to support system description:

1. Documents review such as Social Responsibility Management Manual, company rules, employee handbook, Regular training record, Workers' contracts and personnel files. etc.
  2. Employees interview, management interview
  3. Factory tour
-

1. Employment is freely chosen

## Data points

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

## Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. The company had developed and maintained relevant formally documented policies and procedures of recruitment and legal employment to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. The company had systems in place to verify that all workers are recruited legally and fairly.</li> <li>2. The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</li> <li>3. The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. The company communicated accurately to all employees about the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits during recruitment.</li> <li>4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.</li> <li>5. No labor provider or on-site subcontractor was used in the company. There were no children and juvenile available in the company. All workers had the legal right to work. No recruitment fees or related costs were incurred or charged to workers during recruitment. Through document review, management and employees' interview, all employees in the company were directly and permanent employees. The youngest age was 33 years old.</li> <li>6. There was a total of 81 employees including 9 manager and 72 workers working in the audited company at present. There was no foreign migrant employee in the facility.</li> </ol>

## Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. No labor provider or on-site subcontractor was used in the company. There were no children and juveniles available in the company.
2. As per employees' interview, documents review and factory tour, all workers had the legal right to work.
3. The company communicated accurately to all employees about the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits during recruitment.
4. The company had systems in place to verify that all workers are recruited legally and fairly. And no recruitment fees or related costs were incurred or charged to workers during recruitment. Through document review, management and employees' interview, all employees in the company were directly and permanent employees. The youngest age was 33 years old.
5. There was a total of 81 employees including 9 manager and 72 workers working in the audited company at present. There was no foreign migrant employee in the facility.
6. No finding was noted.

Evidence examined – to support system description:

1. Social Responsibility Management Manual, company rules, employee handbook, etc.
  2. Worker contracts and personnel files.
  3. Regular training record
  4. Employee interview
  5. Management interview
  6. Factory tour
-

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

### Data points

#### Labour hire

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

#### Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	3%
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	2 domestic migrant workers from Sichuan and Jiangsu

## 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

As per employee interview, documents review and factory tour, all workers did not pay any recruitment fees or costs.

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

### Management systems

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

Explanation for management systems grades	<p>1.The company had developed and maintained relevant formally documented policies and procedures of freedom of association and right to collective bargaining to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies stated that the employees are free to form or join trade union or workers' organization and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of the trade union or workers' organization, etc.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. The company did hinder free association however no collective bargaining agreement via interview. There was a trade union at the site, workers had the right to join a union if they want. There was evidence of worker's committee available in the factory. The committee members were chosen by fellow workers.</p>
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### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. The company did hinder free association however no collective bargaining agreement via interview.
2. There was trade union at the site, and workers had the right to join a union if they want.
3. There was evidence of worker's committee available in the factory. The committee members were chosen by fellow workers.
4. No finding was noted.

Evidence examined – to support system description:

1. Social Responsibility Management Manual, election records, meeting records etc.
  2. Interviews with workers, worker's committee members and management
  3. Factory tour
-

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

### Data points

Are trade unions allowed by law in the national context? Yes

Are there any registered trade unions in the workplace? No

Are they active?

Does the employer recognise the trade union? Not Applicable

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

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

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

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

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

### 3. Working conditions are safe and hygienic

#### Management systems

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

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

1. The company had developed and maintained relevant written Health and Safety policy and Health and Safety management procedure to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.
2. The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures. The appointment letter was available for review. There was the qualification certificate of safety production knowledge and management skill for the person for the management of work safety in the facility.
3. The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. Minutes of meetings showed that there were regularly meetings between the H&S committee (workers) and the Health and Safety Officer. All employees received regular and recorded Health & Safety training, and such trainings were repeated for new and reassigned employees in the company. Evacuation drills were conducted by the company twice per year for all employees on all work shifts in the company.
4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change.
5. The company conducted the risk assessment regularly to consider the prevailing knowledge of the industry and of any specific hazards. The company took adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
6. There was a safe and hygienic working environment in the company. The company maintained a comfortable temperature throughout the work floors. Potable water was freely available in all areas. Sufficient clean toilets segregated by gender were always available to workers.
7. Through the factory tour, the fire safety conditions were generally acceptable. All emergency exits were unlocked and easy to open outward. There were sufficient and open means of escape. Required fire safety equipment was provided and functional.
8. According to the Building Certificate, building was structurally sound and well maintained. There was no indication of circumstances that may lead to any critical or life-threatening HSE conditions for workers and visitors. From workers and management interviews, there was no case of threatening HSE conditions noted / reported in the past. They had never experienced any critical injuries since the establishment.

However, because oversights or gaps in the monitoring systems have led to NCs, which are isolated in nature, the non-compliance finding such as no soap and toilet paper provided in the toilets.

## Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...		NC <a href="#">ZAF600715743</a>

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

**Current systems:**

1. The company established policies and processes about health and safety, which was in compliance with legal requirements and ETI.
2. There was a safe and hygienic working environment in the company.
3. The company conducted the risk assessment regularly to consider the prevailing knowledge of the industry and of any specific hazards.
4. The company took adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. The company maintained a comfortable temperature throughout the work floors.
5. All employees received regular and recorded Health & Safety training, and such trainings were repeated for new and reassigned employees in the company.
6. Potable water was freely available in all areas. Sufficient clean toilets segregated by gender were always available to workers.
7. Through the factory tour, all toilets, company areas were in good hygienic condition and all facilities were under good maintenance. These areas were regularly cleaned, and it was clean and sanitary during audit. No bad smells or insect pests were found in these areas. Through employee interviews, all workers were satisfied with hygienic conditions in the company. However no soap and toilet paper provided at toilets.
8. According to the Building Certificate, building was structurally sound and well maintained. There was no indication of circumstances that may lead to any critical or life-threatening HSE conditions for workers and visitors. From workers and management interviews, there was no case of threatening HSE conditions noted / reported in the past. They had never experienced any critical injuries since the establishment.
9. Through the factory tour, the fire safety conditions were generally acceptable. All emergency exits were unlocked and easy to open outward. There were sufficient and open means of escape. Required fire safety equipment was provided and functional.
10. The company conducted evacuation drills twice per year for all employees on all work shifts in the company.
11. Through the factory tour, all workers exposed to any hazardous environment were provided appropriate PPE (e.g. facemasks and earplugs).
12. The company assigned a senior management representative with professional competence to be responsibility for Health & Safety.

**Evidence examined – to support system description:**

1. Documents review such as Social Responsibility Management Manual, Health and safety policies and processes, regular training records, fire drill records, building structure safety certificate, Occupational disease hazard factors testing report, Occupational health examination records, first aid responder certificates, Electrician certificate, Safety Inspection documents for Special equipment, social compliance internal audit etc.
2. Worker interview
3. Management interview
4. Factory tour

# Findings: non-compliances

ZAF600715743

Non-compliance

Due 2025-01-27

**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**

330 - Sanitary facilities are insufficient for the size of the site (e.g. the number of toilets or hand basins is insufficient for the number of workers)

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

Base code

**Description**

It was noted there is no soap and toilet paper provided in the toilets.

**Corrective and preventative actions**

The facility could provide soap and toilet paper accordingly.

**Evidence**



[NC-No soap and toilet paper.jpg](#)



\* PDF generated at 11:37 (UTC) on 28 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

### 3. Working conditions are safe and hygienic

## Data points

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

## 4. Child labour shall not be used

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1. The company had developed and maintained relevant formally documented policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies and procedures stated that all employees must verify their age by ID cards for proof during the hiring and ID card copies must be kept in the personnel files, and the company did not employ and use child labor under the age of 16 years old. There was a written juvenile employee protection procedure in place, and juvenile workers under 18 years old shall not work at night or in hazardous conditions.</p> <p>2. The company appointed the HR manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3. The company provided regularly communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. There was no child labor or juvenile labor available in the company.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. There was no child labor available in the company.
2. The company established policies and programs to prohibit recruitment of child labor, and to ensure that juvenile workers under 18 years old shall not work at night or in hazardous conditions.
3. The company maintained all workers' ID card copies. According to the employees' ID numbers in the company name list, the youngest worker was 33 years old.
4. No finding was noted.

Evidence examined – to support system description:

1. ID copy and personnel files
  2. Social Responsibility Management Manual, employee handbook etc.
  3. Employee interview, management interview
  4. Factory tour
-

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	33
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

## 5. Legal wages are paid

### Management systems

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

### Explanation for management systems grades

- 1.The company had developed and maintained relevant formally documented policies and procedures of wage & benefit to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.
- 2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.
- 3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.
- 4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. Through document review, employees' interview and factory tour, there was no consistency noted in the company, and working hour records were consistent with payroll and other records. The company paid employees' basic wage met local minimum wage standard. The company paid overtime wages as per legal requirements. The company provided social benefits such as annual leave and maternity leave etc. to eligible employees. The company paid employees on time and exactly.
5. However, because major gaps in monitoring of procedures that did not ensure sufficient management of Workplace Requirements on an ongoing basis, according to the social insurance payment receipt provided by factory management, the factory's social insurance coverage was insufficient. the non-compliance finding such as insufficient social insurance coverage was noted.

### Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC <a href="#">ZAF600715744</a>
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> <li>1. The company established relevant wages policies and procedures which had been communicated to all employees.</li> <li>2. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.</li> <li>3. Benefits of paid annual leave were given to all workers and child-bearing leave to appropriate employees.</li> <li>4. Through document review, employees' interview and factory tour, there was no consistency noted in the company, and working hour records were consistent with payroll and other records.</li> <li>5. Auditors reviewed payroll records of 10 samples from the current paid month October 2024, 10 samples from August 2024(peak month), 10 samples from March 2024(low month).</li> <li>6. Per payroll registers and employees &amp; management interview, all workers' wages were paid on the 20th of every month in cash and the payment calculation period was from 1st to 31th. Each worker was given a pay slip. The company paid employees on time and exactly.</li> <li>7. All workers were paid based on piece rate. All sampled workers were paid at least RMB3799 per month which was above the local minimum wage of RMB 1930per month since 1st March 2023.</li> <li>8. All sample employees were paid 150% and 200% of the normal wages for the overtime working hours occurred on normal working days and the weekend days respectively. There was no overtime working hours occurred on statutory holidays. The company provided social benefits such as annual leave and maternity leave etc. to eligible employees.</li> <li>9. 44 out of 76 employees(including 2 retirees) were purchased full five types of social insurance base on the social insurance receipt of October 2024, other employees who had been purchased commercial injury insurance which valid from 11th October 2024 to 10th October 2025.</li> </ol> <p>Evidence examined – to support system description:</p> <ol style="list-style-type: none"> <li>1. Document review such as Social Responsibility Management Manual, social insurance payment receipts, payroll records, wages and benefits policy, leave applications, Law &amp; regulation summary and update, records of paid annual leave, regular training records, etc.</li> <li>2. Worker interview, management interview</li> <li>3. Factory tour</li> </ol>		

# Findings: non-compliances

ZAF600715744

Non-compliance

Due 2025-01-27

## Code area

5 Legal wages are paid

## Status

Open\*

## Workplace requirement

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

## Time given to resolve

60 days

## Issue title

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

## Verification method

Follow up audit

## Description

It was noted there were totally 81 employees in this factory(included 2 retirees), however factory only purchased pension insurance, unemployment, maternity, work-injury and medical insurance for 44 employees based on the social insurance receipt of October 2024, other employees had been purchased commercial injury insurance which valid from 11th October 2024 to 10th October 2025.

## Area of non-compliance/non-conformance

Local law  
Base code

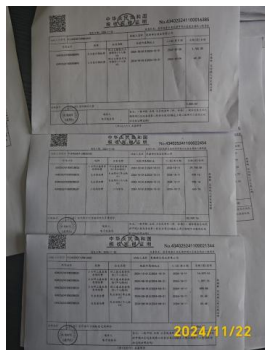
## Corrective and preventative actions

Factory needs to purchase full types of social insurance for all employees.

## Local law reference

According to the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

## Evidence



[NC-Insufficient social insurance coverage.jpg](#)



\* PDF generated at 11:37 (UTC) on 28 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

## 5. Legal wages are paid

### Data points

What is the basic wage paid to workers?	Wages are based on 'piece work' (e.g. the number of items produced or harvested)
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details)  Per workers , management interview and document review, all workers were paid in cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	I don't know

### Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	168.0

Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	3.0
	Max hours per week	14.0
	Max hours per month	64.0
Minimum legal wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1930.0
Actual minimum wage	Actual per hour	21.83
	Actual per day	174.7
	Actual per week	873.3
	Actual per month	3799.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

## Wage analysis

Number of workers' records checked	10
Provide the date and details of the records	10 randomly selected workers in March 2024 (low month) 10 randomly selected workers in August 2024 (peak month) 10 randomly selected workers in October 2024 (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% of workforce per earning above local 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	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> <li>1. There was no legal requirement for living wages in China.</li> <li>2. The company conduct living wage estimates through consideration of the regional and local context and socio-economic and cultural realities on living wage estimates.</li> <li>3. The company had the consultation with representative employers' and workers' organizations on living wage estimates and involvement of social partners throughout their development, with a view to ensuring national and/or local ownership.</li> <li>4. The company reviewed annually employees' wage, and set up the wage improvement plan that aims to raise workers' wage. Regular adjustments to consider changes in the cost of living and the patterns of consumption. The company conducted quality control, including sound technical review, validation, as well as periodic review for continuous improvements.</li> <li>5. As per documents review and employee interview, the actual wages paid by the company met basically the needs of workers and their families.</li> <li>6. Promotion of gender equality and non-discrimination was available in the company.</li> <li>7. No finding was noted.</li> </ol> <p>Evidence examined – to support system description:</p> <ol style="list-style-type: none"> <li>1. Document review such as Social Responsibility Management Manual, social insurance payment receipts, payroll records, wages and benefits policy, leave applications, Law &amp; regulation summary and update, records of paid annual leave, regular training records, living wages assessment report etc.</li> <li>2. Worker interview, management interview</li> <li>3. Factory tour</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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	<p>1.The company had developed and maintained relevant formally documented policies and procedures such as voluntary overtime policy, working time policy and controlling procedure etc. to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. Through employees' interview, factory tour and document review, it was noted that overtime was voluntary. A variety of production and other records were cross-checked for consistency, no inconsistency was noted in the company, and the company maintained only one accurate set of working hour records.</p> <p>The factory used manual attendance system / biologic recognition attendance system to keep all employees working hours and then based on the attendance records to calculate wages.</p> <p>5. However, because major gaps in monitoring of procedures that did not ensure sufficient management of Workplace Requirements on an ongoing basis, the non-compliance finding such as excessive monthly overtime.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC <a href="#">ZAF600715745</a>

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

## Current systems:

1. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. In this audit, auditor randomly selected production records such as material delivery records, daily production records etc. and crosschecked these records with payroll records and attendance records, and through employee interview, no inconsistency was noted. All required payroll records and attendance records were provided by the company timely. The company maintained only one set of accurate and complete working hour records and payroll records respectively.
3. The factory used face scan and finger print combined attendance system to keep all employees working hours and then based on the attendance records to calculate wages. All workers just had one shift 8:00-12:00 / 13:30-17:30.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
5. Auditors reviewed payroll records and attendance records of 10 samples from the current paid month September 2024, 10 samples from peak month August 2024, 10 samples from low month March 2024, it was noted that the maximum of overtime hours was 3 hours a regular day, 8 hours a rest day and 64 hours in sampled months. The largest working hours were 54 hours per week. The longest consecutive working days were 6 days.

## Evidence examined – to support system description:

1. Document review such as Social Responsibility Management Manual, employee handbook, payroll records, attendance records, production records etc.
2. Employee interview and management interview
3. Regular training records
4. Factory tour

# Findings: non-compliances

ZAF600715745

Non-compliance

Due 2025-01-27

**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**

It was noted 10 out of 10 randomly selected workers monthly overtime working hours exceeded 36. Maximum up to 64 hours in March 2024 (low month) and August 2024 (peak month); 50 hours in October 2024 (Current month)

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

Local law  
Base code

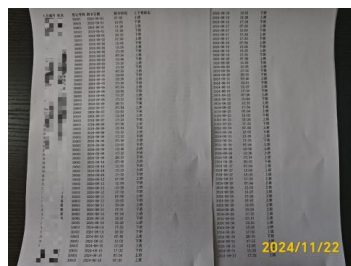
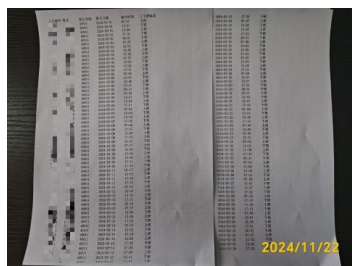
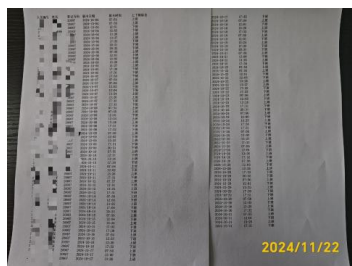
**Corrective and preventative actions**

It is recommended that the factory should ensure monthly overtime working hours do not exceeded 36.

**Local law reference**

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

**Evidence**



[NC-Monthly overtime exceeded 36 in October 2024.jpg](#)

[NC-Monthly overtime exceeded 36 in March 2024.jpg](#)

[NC-Monthly overtime exceeded 36 in August 2024.jpg](#)

\* PDF generated at 11:37 (UTC) on 28 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

## 6. Working hours are not excessive

### Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

## 7. No discrimination is practiced

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1.The company had developed and maintained relevant formally documented anti-discrimination policy and procedure to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership or political affiliation was found in the facility.</p> <p>5.There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. The company established policies and processes for prohibiting discrimination and provided related training to all employees.
2. The company appointed a senior member of management who was responsible for compliance with the ETI Code.
3. According to document review, workers interview and factory tour, there was no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, material status, sexual orientation or political affiliation.
4. No finding was noted.

Evidence examined – to support system description:

1. Document review such as Social Responsibility Management Manual, employee handbook, anti-discrimination policy, hiring policy, etc.
  2. Employee interview, management interview
  3. Factory tour
  4. Regular training record
-

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)? 3%

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

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

Three most common nationalities in managerial and supervisory roles

The nationality of the employees in managerial and supervisory roles was Chinese in the company.

## 8. Regular employment is provided

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. The company had developed and maintained relevant formally documented policies and procedures of recruitment and employment to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. There were effective management systems in place to identify and monitor the hiring and management of all workers.</li> <li>2. The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</li> <li>3. The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</li> <li>4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. The company signed labor contract with all employees and the terms and conditions stated in the contracts complied with local laws. All employees received copies of the contract of employment. All employees were recruited by the facility directly and they did not pay any recruitment fee at any stage of the recruitment process.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. The company appointed a senior member of management who was responsible for compliance with the ETI Code.
2. There are effective management systems in place to identify and monitor the hiring and employment management of all workers.
3. The company signed labor contracts with all employees. There were no contract workers, agency workers, temporary or casual labor in the company.
4. The company had established the employment relationship and confirmed the rights and obligations of the employment conditions through signing labor contracts.
5. According to worker interview, the company gave a copy of the labor contract to them after signing contract. All workers paid no recruitment fee at any stage of the recruitment process.
6. No finding was noted.

Evidence examined – to support system description:

1. Document review such as Social Responsibility Management Manual, employee handbook, hiring policy, labor contracts etc.
  2. Worker interview
  3. Management interview
  4. Factory tour
-

8. Regular employment is provided

## Data points

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Percentage of workers that are permanently or temporarily employed	100.0%
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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%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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## 8.A. Sub-contracting and homeworkers are used responsibly

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<ol style="list-style-type: none"> <li>1. The company had developed and maintained relevant formally documented policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies stated sub-contracting would not be used unless previously agreed with the main client.</li> <li>2. The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</li> <li>3. The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. The company provided the training of no sub-contracting and no homeworking policies to related employees.</li> <li>4. The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. There were no outside processes, subcontracting or homeworking used by the facility.</li> </ol>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. Per factory tour, it was noted that the production processes in the company were complete, and this was also verified through production processes overview provided by company.
2. Auditor also checked production records and other records, and no subcontracting was noted.
3. Management confirmed that they would not use any subcontractor unless agreed by their client.
4. Per factory tour, employee interview and document review, it was also noted that all productions were onsite, no homeworking was noted.
5. The company provided the training of no sub-contracting and no homeworking policies to related employees.
6. No finding was noted.

Evidence examined - to support system description:

1. Factory tour (Calculation on total production and estimated capacity)
  2. Materials in/out records
  3. Production process overview
  4. Management interview
  5. Worker interview
-

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

### Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

#### Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers?

No

As per documents review and employees interview, the supplier did not buy products or services from suppliers that use homeworkers.

#### Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?

No

As per documents review, factory tour and employee interview, there were no any concerns about unrecorded work or undeclared sub-contracting on site.

Are any sub-contractors used?

No

## 9. No harsh or inhumane treatment is allowed

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1.The company had developed and maintained relevant formally documented anti-harsh or anti-inhumane treatment policies and procedures to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area. Those policies stated that illegal discipline, physical abuse, sexual, harassment or other forms of intimidation were strictly prohibited. The company established a disciplinary procedure for employees' misbehavior which included oral warning, written warning and finally termination.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures such as anti-harsh, anti-inhumane treatment policy and disciplinary procedure to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance. All employees were aware of anti-harsh or anti-inhumane treatment policy and disciplinary procedure.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. According to worker interview, the company treated every worker with respect, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. The company established policies and programs for non-abuse and no illegal discipline, and the company provided related training to all employees.
2. The company assigned the senior management staff to charge of non-abuse and no illegal discipline.
3. The company provide access to a confidential grievance mechanism for all workers.
4. According to the company's regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the company.
5. According to worker interview, the company treated every one worker with respect, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.
6. No finding was noted.

Evidence examined - to support system description:

1. Document review such as Social Responsibility Management Manual, no harsh policy, training records etc.)
  2. Employees' interview
  3. Management interview
  4. Factory tour
-

9. No harsh or inhumane treatment is allowed

## Data points

<b>Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?</b>	Yes, there is a formal grievance process The grievance process is available to all workers
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<b>What type of grievance mechanism(s) are available?</b>	Suggestion box
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<b>Number of grievances raised in the last 12 months</b>	0
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<b>Number of grievances resolved in the last 12 months</b>	0
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## 10.A. Environment 2-Pillar

### Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>1.The company had developed and maintained relevant formally documented policies and procedures of environmental management to ensure ongoing compliance with all the Workplace Requirements within the Base Code Area.</p> <p>2.The company appointed the admin manager with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures.</p> <p>3.The company provided communication and training on relevant policies and procedures to all stakeholders and employees such as managers, supervisors, workers etc. to ensuring ongoing compliance.</p> <p>4.The company effectively monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures yearly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. The environmental aspects associated to production process were identified. The company on environment protection, environmental approvals also were not applicable since the processes and products in the facility were exempted from environmental regulations.</p> <p>5.The company was aware of the significant environmental impact of their site and its processes. The company measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use. The company conducted continuous improvements in their environmental performance.</p>

### Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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

Current systems:

1. Per document review and management interview, the company obtained related certificates from local environmental administration bureau, and it met the requirements of local and national laws related to environmental standards.
2. The company was able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
3. The company was aware of their end client's environmental standards/code requirements and established related policy covering their environmental impact. The company provided regularly related training to employees.
4. The company was aware of the significant environmental impact of their site and its processes.

The company measured its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use.

5. The company conducted continuous improvements in their environmental performance.
6. The company assigned senior management staff for monitoring the environmental performance.
7. No finding was noted.

Evidence examined – to support system description:

1. Document and policy review such as Environment policy review, Environmental impact appraisal documents, Approval of environmental impact appraisal documents, Environmental check and acceptance report, Fixed source emission registration form, Energy and Water consumption records, Hazardous chemical waste collection records, Waste inventory etc.
  2. Management interview
  3. Employee interview
  4. Factory tour
-

10.A. Environment 2-Pillar

## Data points

<p>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)?</p>	<p>No</p>
<p>Does the site have any valid environmental or energy management certificates?</p>	<p>Environment policy review, Environmental impact appraisal documents, Approval of environmental impact appraisal documents, Environmental check and acceptance report, Fixed source emission registration form.</p>
<p>Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?</p>	<p>No</p>
<p>Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?</p>	<p>No</p>

# Attachments



[Factory entrance.jpg](#)



[Factory name.jpg](#)



[Factory building.jpg](#)



[Raw material warehouse.jpg](#)



[Punching workshop.jpg](#)



[Embroidery workshop.jpg](#)



[Sewing workshop.jpg](#)



[Hand work working & inspection workshop.jpg](#)



[Packing workshop.jpg](#)



[Oven workshop.jpg](#)



[Finished goods warehouse.jpg](#)



[Showroom.jpg](#)



[Non-smoking sign.jpg](#)



[Toilet.jpg](#)



[Stairwell.jpg](#)



[Needle guard.jpg](#)





[Hazardous factor indicator.jpg](#)



[Fire hydrant.jpg](#)



[Fire alarm.jpg](#)



[Emergency light and exit sign.jpg](#)



[First aid kit.jpg](#)



[Fire extinguishers.jpg](#)



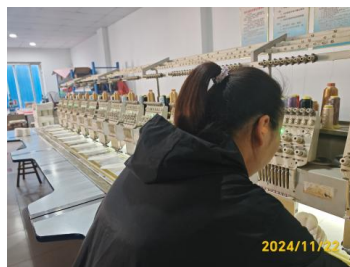
[Electrical box.jpg](#)



[Attendance recording machine.jpg](#)



[Evacuation plan.jpg](#)



[Earplug.jpg](#)



[Emergency exit door.jpg](#)



[Address No..jpg](#)



[Assembly point.jpg](#)



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