

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

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

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC4970816	Auditor company name	Intertek Shanghai
Date of audit	2025-04-01	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety		

Site details

Sedex site reference	ZS4981787	Site name	ZHEJIANG CHALET GARMENTS CO LTD
Business name	zhejiang chalet garments co ltd	Site address	321000 F1-6 No.333, Jinshan North Road, Jindong Industrial Park, Xietang Town, Jindong District, Jinhua City, Zhejiang Province, China. 浙江省金华市金东区鞋塘镇金东经济开发区金山大道北333号第1-6层, JINHUA, CN
Site phone	0579-82910609	Site email	allan@chaletchina.com

Audit parameters

Time in and out	Day 1	
	In	09:00
	Out	17:00
Audit type	Periodic	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Ms. Ye Lei / Office Supervisor	
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	No Union in facility.		
Reason for absence during the audit	No Union in facility.		
Reason for absence at the closing meeting	No Union in facility.		

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.		
	<div><div><div>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.</div><div>2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.</div></div><div><p>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.</p></div></div>		
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	This audit is semi-announce audit with the scheduling window from 31/3/2025 to 18/4/2025.		
Lead auditor	Shine Chen	APSCA Number	21700302
Additional auditor			
Date of declaration	2025-04-01		

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms. Ye Lei
Title	Office Supervisor
Date of declaration	2025-04-01





































Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§1	NC ZAF600865549
	3.A Ensure a safe working environment. Put in...	§2	NC ZAF600877470
	3.A Ensure a safe working environment. Put in...	§3	NC ZAF600877471
	3.H Where identified as necessary to reduce r...	§4	NC ZAF600877472
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§5	NC ZAF600877473

Local law issues

§1	In accordance with General Rules for Fire Safety Management of Storage Occupancies XF1131-2014 Article 6.8, The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.
§2	In accordance with the Provisions on the Management of Workplace Occupational Hygiene Article 20, Employers with severe occupational disease hazards shall entrust an occupational health technical service agency with corresponding qualifications to conduct occupational disease hazard factor test at least once a year, and conduct assessment on current situation of occupational disease hazard at least once every three years. Employers with general occupational disease hazards shall entrust an occupational health technical service organization with corresponding qualifications to conduct occupational disease hazard factors test at least once every three years. The test and evaluation results shall be stored in the occupational health files of employers, and reported to the health authorities and be notified to the laborers.
§3	In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practicing Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.
§4	In accordance with Law of the PRC on Work Safety Article 45, Production and business entities shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.
§5	In accordance with 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.

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	ZC4970816	
Sedex site reference	ZS4981787	
Company name	zhejiang chalet garments co ltd	
Business ownership type	GOODS	
Site name	ZHEJIANG CHALET GARMENTS CO LTD	
Site name in local language	浙江莎蕾服饰有限公司	
GPS location	GPS address	F1-6 No.333, Jinshan North Road, Jindong Industrial Park, Xietang Town, Jindong District, Jinhua City, Zhejiang Province, China.
	Coordinates	Latitude: 29.222088 Longitude: 119.856729
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Ye Lei
	Job title	Office Supervisor
	Phone number	0579-82910609
	Email	allan@chaletchina.com
Applicable business and other legally required business license numbers and documents	<p>The business license number is 913307030762498815, which was long-term valid since 15 August 2013.</p> <p>The Fire certificate number is Jin Yi Jian Xiao Jun Bie Zi [2022] No. 0003 with long-term validity.</p> <p>The construction safety certificate issued on 18 February 2022 with long-term validity.</p> <p>Electrician license number is T330481xxxxxxx4234 valid from 13 July 2022 to 12 July 2028.</p> <p>The cargo lift inspection report number is 579-Ti-2411-161-00151 and valid till November 2025.</p> <p>The pollutant discharge registration form number is 913307030762498815002X valid from 07 April 2021 to 06 April 2026.</p>	

Site activities

Site function	Factory Processing/Manufacturer Finished Product Supplier	
Site activities	Primary	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	seamless underwear	
Process overview	The main product manufactured by the facility was seamless underwear. Production process: knitting, cutting, sewing, labeling, ironing, inspection and packing. Main Equipments: 3 heat transfer printing machines, 40 knitting machines, 8 ironing machine and 30 sewing machines etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	6773m ²	
Building 1	Last construction works on site	2022
	If building is shared, provide details	Not Applicable
	Number of floors	6
	Description of floor activities	The facility had used one 6-storey building as workshop, warehouse and office. The building was rented from the the landlord named Jinhua Jiafeng Rubber Products Co., Ltd. The lease agreement and business license of landlord were provided for review. No canteen or dormitory was provided. The facility had established since 2013 and moved into current site since 2022.
Is there any difference between the site scope of the audit and the Sedex site profile?	No	

Site scope

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 transport provided by the facility.

Work patterns

Approximate workers on site per month (% of peak)

January	75-90%	February	75-90%
March	90-95%	April	90-95%
May	90-95%	June	90-95%
July	90-95%	August	90-95%
September	90-95%	October	90-95%
November	90-95%	December	90-95%

Is there any night or back shift work at the site?

Yes

Knitting employees worked in two shifts: 1) 8:00-16:00, 2) 16:00-24:00.

What percentage of the workforce, including temporary and agency workers, work during the night/ back shift?

8%

Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling?

Yes

The only one-manday audit conducted from 9:00 to 17:00 which had crossed the day shift to night shift. One sample working on two shifts was interviewed during audit day.

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?	<p>Yes</p> <p>The facility had assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.</p>
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	<p>No</p> <p>The facility had not conducted Human Rights Impact Assessment (HRIA).</p>

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	19 (39.6%)	29 (60.4%)	- -	48 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	19 (39.6%)	29 (60.4%)	- -	48 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	12 (37.5%)	20 (62.5%)	- -	32 (66.7%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	12 (37.5%)	20 (62.5%)	- -	32 (66.7%)

* % of total workforce

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

32 employees were from other provinces of China including Hubei, Henan, Anhui, Sichuan, Guizhou and Jiangxi.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	2 (66.7%)	1 (33.3%)	- -	3 (6.3%)
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 in the facility 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	40%	60%	-	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	19 (39.6%)	29 (60.4%)	- -	48 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	19 (39.6%)	29 (60.4%)	- -	48 (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	1 (33.3%)	2 (66.7%)	- -	3
Supervisors or team leaders	1 (33.3%)	2 (66.7%)	- -	3
Administrative staff	2 (40%)	3 (60%)	- -	5

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	one group of 5 employees
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes
Was there any indication that workers had been 'coached' in how they should respond to questions?	No
What was the general attitude of the workers towards their workplace?	Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) No significant concerns or complaints were raised.
What did the workers like the most about working at this site?	Hours worked, rest days or breaks Overtime Communication (e.g. from management) Pay Equal opportunities
Additional comments	10 employees were selected for interview including 4 male employees and 6 female employees. 5 employees were interviewed individually, and 5 employees were interviewed as 1 group. The employees were assured of confidentiality, and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility, and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors.
Attitude of workers' committee/union representatives	The worker representative was happy with the management, working conditions, and she stated that she could give suggestions on all parts of the site's practices. No negative was raised.
Attitude of managers	The management was open and cooperative throughout the process of the audit. The audited facility designated one management staff to be responsible for this audit, e.g., the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of worker interviews etc. to one management staff, and this person completed the assigned tasks well during the whole audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. In the closing meeting, the management agreed with the found noncompliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

Workers interviewed by type

	Total
Permanent workers	10
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0

Workers interviewed by type

Other workers	0
Total number of workers interviewed	10

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	1	4	-	5
Workers interviewed individually	3	2	-	5

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	4	6	-	10
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	4	6	-	10

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 (2024)	4.0%	4.0%	-	4.0%
Previous full calendar year (2023)	4.0%	4.0%	-	4.0%

* 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)	3.0%	3.0%	-	3.0%
Last full calendar year (2024)	5.0%	5.0%	-	5.0%
Previous full calendar year (2023)	5.0%	5.0%	-	5.0%

* 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

Accidents records were provided to review and it showed no accident happened in past 2 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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The audited facility management was open and cooperative throughout the process of the audit. The requested documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for workers' interview and the management allowed audit team to select workers for interviews. No inconsistency record was found during this audit. 2. The facility did not offer bribes to or threaten the auditors, nor in any way induce the auditors to be dishonest during this audit. 3. The facility had provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility had established a written Human Rights Policy covering human rights impacts and issues and expressing commitment to respect human rights. The facility's Human Rights Policy was endorsed by Mr. Lv Fengyang/ General Manager. The facility communicated Human Rights Policy to all appropriate parties including its own suppliers through providing the facility's Human Rights Policy to all appropriate parties and asking them to acknowledge Human Rights Policy Compliance Commitments by signatures and stamps. The facility communicated the policy to all employees by poster and training. <p>Details:</p> <ol style="list-style-type: none"> 1. Employee Handbook was reviewed. It stipulated complying with ETI Code, written policies and procedure that being provided individually to employees. 2. Company Manual contains details of Code and Business Ethics with the commitment of being compliant in all aspects of business and integrity aligned with the client's requirement and local law. 3. The facility's written Human Rights Policy; Human Rights Policy Compliance Commitments from its appropriate parties. 4. The posters and training records about Human Rights Policy. 5. Management interview and employee interview. 		

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>The position of the facility is clearly stated in the Employment freely chosen Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Employment freely chosen Procedure, which outlines prohibiting forced, bonded and prison labour. This procedure includes provision for non-employee (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation.</p> <p>The General Manager is named within the Employment freely chosen Policy as ultimately responsible for ensuring its resourcing, approval and regular review. The Office Supervisor is allocated responsibility to implement the Hiring Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The Employment freely chosen Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the Employment freely chosen Procedures is mandatory for all office staffs processing applications or onboarding. A training matrix utilized by line manager ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of employees' right are defined by the Employment freely chosen Procedure. The procedure requires that audit of the records kept of this verification is conducted by the Office Supervisor. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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 facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc.
2. The facility had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers.
3. The employing handbook – given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and could resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on next pay day after termination; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc.
4. The terms and conditions of employment in the handbook stated that the workers were free to leave the workplace outside of their working hours, the rules for security guards stated that the responsibilities of security guards were only protecting the safety of the facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search.
5. The facility did not require any payment for work tools, PPE, IC/staff card, training, etc.
6. The facility did not use prison labour.
7. The above was confirmed in management and employee interview.

Details:

1. Personnel files (all were checked).
2. Resignation records since March 2024.
3. Factory rules.
4. Employee handbook.
5. Management and employee interview.

1. Employment is freely chosen

Data points

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

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the facility is clearly stated in the Responsible Recruitment policy, which meets all workplace requirements in this code area. The policy makes reference to the Responsible Recruitment procedure, which outlines the key mechanisms in place. This procedure includes provision for non-employee workers (agency if applicable). The procedure outlines processes and responsibilities, including all office management and employees. The facility had established policy and procedure that prohibit to receive any recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs) from any type of employees.</p> <p>The General manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Trainings are mandatory for all office staff processing applications or onboarding. A training matrix utilized by line manager ensures that there is a very low chance of gaps in regard to this training.</p> <p>The General manager was responsibility for monitoring implementation of this procedure. The procedure requires that audit of the records kept of this verification is conducted by the Office Supervisor. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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 were a total of 48 employees (excluding 3 managers) which included 37 production employees and 11 non-production employees in the facility. 16 employees were local employees from Zhejiang Province, and other 32 employees were from other provinces of China including including Hubei, Henan, Anhui, Sichuan, Guizhou and Jiangxi. No foreign employee in the facility.
2. All employees had the proper legal rights to work in this region.
3. The youngest age was 19 years old.
4. All employees were hired by the facility directly and no labour agency was used for employee hiring.

Details:

1. Hiring procedure.
2. Personnel files.
3. Employee handbook.
4. Management and employee interview.

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	67%
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	32 employees were from other provinces of China including Hubei, Henan, Anhui, Sichuan, Guizhou and Jiangxi.

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?	Yes
What recruitment fees and costs do workers pay during the recruitment and employment process?	Workers do not pay any recruitment costs (Please provide details) No such fee or cost was paid by workers during the recruitment and employment process.
Were recruitment fees or costs identified during worker interviews?	No During interview, all employees stated that no 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>The position of the company is clearly stated in the Freedom of association and right Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Freedom of association and right Procedure, which outlines freely selected rights.</p> <p>The General Manager is named within the Freedom of association and right Policy as ultimately responsible for ensuring its resourcing, approval and regular review. The Office Supervisor is allocated responsibility to implement the labor union freely selected Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The Freedom of association and right Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the Freedom of association and right Procedures is mandatory for all union/worker committee representatives processing applications or onboarding.</p> <p>The General manager was responsibility for monitoring the implementation of this procedure. The procedure requires that audit of the records kept of this verification is conducted by the Office Supervisor. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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 union at the site.
2. There was 1 worker representative elected by employees.
3. There was one set of minutes to keep records of meeting between facility and worker representative.
4. Employee interview confirmed that the worker representative had been elected by fellow employees.

Details:

1. Social compliance system program and procedure
2. Suggestion box complain feedback
3. Meeting minutes
4. Employee interview and management interview
5. Employee handbook and employment contracts were reviewed. They both stated that employees were free to form trade unions. Nobody would be treated differently whether they were members of the worker committee.

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?	No
Does the membership reflect the nationality composition of the workforce?	Yes
Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years?	No

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>The position of the company is clearly stated in the Safe and hygienic working conditions policy which meets all Workplace Requirements in this code area (including fire safety policy/machine safety policy/chemical safety policy, etc.). The Policy makes reference to the Safe and hygienic working conditions policy Procedure, which outlines employees would have good working condition to work.</p> <p>The General Manager is named within the Safe and hygienic working conditions policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the Safe and hygienic working conditions Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>The HS Policy and procedure is communicated to workers annually. The HS training covers building safety, fire safety, electrical safety, machine safety, working at height, chemical safety handle & disposal and PPE usage. Training on the Safe and hygienic working conditions Procedures is mandatory for all working staff processing applications or on boarding. However, there is no strong awareness of Safety and Health amongst partial employee interviewed. For example, some employees lack awareness in personal occupational health protection etc.</p> <p>Responsibilities for monitoring implementation of Safe and hygienic working conditions are defined by the Safe and hygienic working conditions Procedure. The procedure requires regular check and audit and the records should be kept of this verification, and the latest internal audit was conducted in December 2024. But the HS management team did not conduct the audit completely or do corrective actions timely. Non-compliances were still noted in the daily implementation of Safe and hygienic working conditions Procedure.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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3. Working conditions are safe and hygienic	3.R Provide clean and secure toilets, wash ar...	§1	NC	ZAF600865549
	3.A Ensure a safe working environment. Put in...	§2	NC	ZAF600877470
	3.A Ensure a safe working environment. Put in...	§3	NC	ZAF600877471
	3.H Where identified as necessary to reduce r...	§4	NC	ZAF600877472

Systems and evidence examined to validate this code section

Current system:

1. General Health and Safety management

- Mr. Lv Fengyang/ General Magaer was responsible for Health & Safety issues in the site.
- Potable water was freely available in all areas and test certificates were up-to-date
- Sufficient clean toilets segregated by gender were available at all times to employees
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings showed that there were monthly meetings between the workers and the Factory management, and each point was acted on.

2. Fire Safety

- There were at least 2 exits from each work area and these were clearly marked;
- Firefighting equipment was adequate and checks were up-to-date;
- Fire drills were organized and recorded at least every 6 months; all employees had participated in the fire drills.
- Training had been given by the local fire department and fire marshals had been specially selected for extra training.
- Evacuation diagrams were posted in all areas and understood by all workers interviewed.
- The open directions of the safety exit doors were adequate.
- Evacuation routes were designed well with yellow lines and unblocked.
- Evacuation plans were posted at each safety exit and understood by all interviewed workers.

3. Electrical safety

- There was a competent electrician at the site and the certificate was available for review.
- All electrical equipment were in good condition such as sockets, plugs, switches and main fuse boards

4. Chemical safety

- Chemicals such as lubricating oil etc were used in the facility.
- Material Safety Data Sheets were available and there were hazard diagrams on chemical which needed careful handling.
- Employees in the workshop where chemicals were used confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

5. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were 2 first aiders who had been trained at local Red Cross Society.

6. Machine Safety

- Protective devices were installed for the dangerous parts of all machines.
- The registration certificate and annual inspection report of special appliance (cargo lift) were valid and available for review.

7. Occupational health examination

- The facility had not conducted occupational hazardous factor testing regularly as legal requirement.
- The facility had not provided occupational health examination for all employees contacting occupational hazardous factors.
- PPE was provided for all employees freely and regularly, but partial employee did not wear PPE during working time.

8. Dormitory and canteen

- No dormitory was provided by facility.
- No kitchen or canteen was provided by facility.

Details:

1. Health and safety policy.
2. Health and safety manual.
3. Health and safety committee minutes.
4. Training records and certificates.
5. Fire equipment maintenance records.

6. Fire drill records on 20 September 2024 and 25 February 2025.
 7. 2 qualified first aiders with certificates valid from January 2025 to January 2028.
 8. Fire safety certificates and construction safety certificate for the building.
 9. Accident reports.
 10. Chemical list and MSDS for each chemical.
 11. 1 Electrician with license valid from 13 July 2022 to 12 July 2028.
 12. The cargo lift inspection report valid till November 2025.
 13. Interviews with employees and H&S committee members.
-

Findings: non-compliances

ZAF600865549

Non-compliance

Due 2022-03-17

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

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

Area of non-compliance/non-conformance

Local law

Base code

Description

Goods in warehouse were stored against the wall and post. During facility tour, auditor found that the facility had stored some goods in warehouses along the wall and post directly.

仓库中的货物靠墙靠柱堆放。经过现场巡查，发现企业仓库中的一些货物直接靠墙堆靠柱放。

Description (carried over)

Partial goods in the warehouses were stacked against the wall. During facility tour, auditor noted that partial goods in the raw materials warehouse were stacked against the wall directly. Local law and/or ETI requirement Local law: In accordance with Article 6.8 of General Rules for Fire Safety Management of Storage Occupancies XF1131-2014: Objects shall be piled up in the storeroom as per the following requirements: The distance between the top of any pile and the roof shall not be smaller than 0.3m (for any “人”-shaped building, the distance shall be counted from the crossbeam); The distance between the objects and the illumination lamps shall not be smaller than 0.5m;The distance between the objects and the wall shall not be smaller than 0.5m;The distance between any pile of objects and the pole shall not be smaller than 0.3m;The distance between any two piles of objects shall not be smaller than 1m. ETI 3.1: A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Recommended corrective action: It was recommended that the facility should ensure all goods to be properly stored in warehouse to leave proper distance from the wall.

Corrective and preventative actions

The facility would move the goods from the wall and keep sufficient distance between wall. The facility would provide training to warehouse staff and strengthen the daily checking on goods stacking in warehouse.

Corrective and preventative actions (carried over)

N/A

Local law reference

In accordance with General Rules for Fire Safety Management of Storage Occupancies XF1131-2014 Article 6.8, The following requirements shall be met for goods or materials to be piled up in warehouse: a) The distance between the top of any stacking and the floor or flat roof shall be no less than 0.3m (for any roof truss of herringbone shape, the distance shall be calculated from the crossbeam); c) The distance between the goods or materials and the wall shall be no less than 0.5m; d) The distance between any stacking of goods or materials and any pillar shall be no less than 0.3m; e) The distance between different stacking of goods or materials shall be no less than 1m.

Explanation of difference in resolution time or verification method from the SMETA issue title recommendation

This is a carried over NC from SMETA 6.1. The default resolution time and/or verification method is different from SMETA 7.0.

Evidence



[Goods stored against the wall.jpg](#)



[Goods stored against the post.jpg](#)

* PDF generated at 05:47 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600877470

Non-compliance

Due 2025-05-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

30 days

Issue title

308 - Insufficient action taken to improve conditions following air quality, dust level, noise or temperature assessment where necessary

Verification method

Desktop audit

Description

The facility did not conduct evaluation on occupational hazard factors. During facility tour, auditor found that hazardous factors such as noise and dusts existed in knitting workshop. However, the facility could not provide evaluation report of occupational hazardous factors for review.

企业没有按要求进行职业危害因素检测。在现场巡查时，审核员发现在织造车间存在噪声和粉尘等职业危害因素。但是，企业未能提供该作业场所的职业危害因素检测报告供审阅。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The facility would conduct the evaluation of occupational hazardous factors in this workshop soon. The facility would provide training to the responsible person and pay more attention to the management of occupational health to prevent such finding.

Local law reference

In accordance with the Provisions on the Management of Workplace Occupational Hygiene Article 20, Employers with severe occupational disease hazards shall entrust an occupational health technical service agency with corresponding qualifications to conduct occupational disease hazard factor test at least once a year, and conduct assessment on current situation of occupational disease hazard at least once every three years. Employers with general occupational disease hazards shall entrust an occupational health technical service organization with corresponding qualifications to conduct occupational disease hazard factors test at least once every three years. The test and evaluation results shall be stored in the occupational health files of employers, and reported to the health authorities and be notified to the laborers.

* PDF generated at 05:47 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600877471

Non-compliance

Due 2025-05-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

30 days

Issue title

317 - No medical examinations or regular occupational health checks, including disease checks, of workers in hazardous situations (e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

Verification method

Desktop audit

Description

Insufficient occupational health examination. During document review and employee interview, the facility had only arranged annual occupational health examination for knitting employees in July 2024, so the facility did not provide pre-job occupational health examination for 3 knitting employees who joined facility since July 2024.

Area of non-compliance/non-conformance

Local law

Base code

职业健康检查不足。经过文件审核和员工访谈，企业仅在2024年7月对织造员工进行了年度职业健康检查，因此企业没有对2024年7月以后入职的3名织造员工进行岗前职业健康检查。

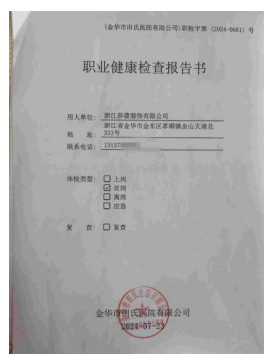
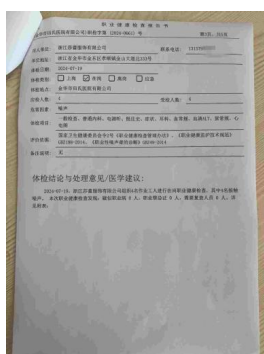
Corrective and preventative actions

The facility would arrange the occupational health examination for relevant employees engaged in post with occupational disease hazards soon. The facility would provide training to the responsible person and pay more attention to the management of occupational health examination to prevent such finding.

Local law reference

In accordance with the PRC Law of Prevention and Control of Occupational Diseases Article 35, the employer shall conduct regular occupational health examination for those labourers who are engaged in works with occupational hazard(s) as required by the public health administrative department under the State Council. The occupational health examination shall be conducted before labourers start to take the post, in the course of the work and after leave the post and the employer shall provide the results of the occupational health examinations to labourers in written. The expenses of the occupational health examination shall be borne by employers. The employer shall not arrange labourers to engage in the work with occupational hazard(s) prior to the pre-post occupational health examination, or labourers with any occupational prohibition to engage in the prohibited work from them. Once the occupational health examination indicates that employee is suffering from the occupational damage in relation to his or her occupation, the employer shall transfer such a labourer out of his or her original post, and allocate him or her in a proper way. The employer shall not rescind or terminate the labour contracts signed with those employees without the occupational health examination at time of leaving the post. The occupational health examination shall be undertaken by the Medical and Health Institutions with Practising Licence of Medical Institution. The Health Administrative Department shall strengthen the standardization management of occupational health examination. The specific administrative measures shall be formulated by the Health Administrative Department of State Council.

Evidence



[Insufficient occupational health examination-2.jpg](#)

[Insufficient occupational health examination-1.jpg](#)



* PDF generated at 05:47 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600877472

Non-compliance

Due 2025-05-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Verification method

Desktop audit

Description

Employees did not properly wear PPE (Personal Protective Equipment). During facility tour and employee interview, auditor found that both two knitting employees did not wear the earplugs and anti-dust masks provided by facility during working time. The interviewed employee thought the Bluetooth headphones and disposable medical masks provided by themselves were more comfortable and convenient.

员工未正确佩戴劳动防护用品。审核员在现场巡查和员工访谈中发现两名织造员工在工作时间没有佩戴企业提供的耳塞和防尘口罩。受访者表示，他们觉得自带的蓝牙耳机和一次性医用口罩更舒适和方便。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

The facility would require employee to wear proper PPE as legal requirement. The facility would provide training to the relevant employee and strengthen on-site supervision on PPE wearing.

Local law reference

In accordance with Law of the PRC on Work Safety Article 45, Production and business entities shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.

Evidence



[employee did not wear PPE properly.jpg](#)



* PDF generated at 05:47 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Chemical such as machine oil, etc. was used.
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 No such structural addition.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the company is clearly stated in the Child Labour Prevention and Remediation Policy which meets all Workplace Requirements in this code area. The Policy makes reference to the Hiring Procedure, which outlines the key mechanisms in place for preventing underage work and the placement of young workers in unsuitable positions. This procedure includes provision for non-employee (agency) workers. The Remediation Procedure outlines processes and responsibilities, including financial, for undertaking remediation.</p> <p>The General Manager is named within the Child Labour Prevention and Remediation Policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the Hiring Procedure in named areas which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The Child Labour Prevention and Remediation Policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training on the Hiring Procedures is mandatory for all office staff processing applications or on boarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regards to this training. Responsibilities for monitoring implementation of age-verification are defined by the Hiring Procedure. The procedure requires that audit of the records kept of this verification is conducted by the Office Supervisor, increasing to monthly at times of peak hiring. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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 a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards would be given back to the workers; and the facility would never employ and use any child labour under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
3. There was a written child labour remediation procedure though there was no child labour in the facility.
4. The workers' personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy listed the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 19 years old.
5. Management interview and worker interviews showed that the facility verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the facility would not recruit the applicant under the age of 16 years old.
6. The written worker roster was available.

Details:

1. The employees' personnel files were provided for review. Each file included a bio-data sheet, a recent photo and the age documentation, which was in the form of photocopied national identification card. The card listed the employee's name, household address and the date of birth.
2. The facility's policy on child labour was reviewed. It stated that the facility would never employ or use any child labour under the age of 16 years old.
3. Facility tour.
4. Management interview and employee interview.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	6%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	19
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>The position of the facility is clearly stated in the Wages and benefits policy, which meets all workplace requirements in this code area. The policy stated that wages and benefits are paid as per the law. This procedure includes provision for non-employee workers (agency if applicable).</p> <p>The General manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The policy is available and communicated to all employees. Training on the procedures is mandatory for all office staff processing applications or onboarding. However, the training was not effective, for example, the lack of training effectiveness evaluation resulted in the training content not being understood by some employees.</p> <p>The General manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the office team. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting. However, the control process was ineffective due to one NC (Insufficient social insurance participated) was raised in the section, the preventative and corrective actions was not proceeded.</p>

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 ZAF600877473

Systems and evidence examined to validate this code section

Current system:

1. The local minimum standard set at RMB 2260 per month equivalent to RMB 13.0 (2260/21.75/8) per hour since 1 January 2024.
2. All employees' wages were calculated on hourly rate basis. Based on provided payroll records, the minimum wage paid by the facility was RMB 16 per hour.
3. Based on provided records, 200% of normal rate were paid by facility for employees' overtime working in rest days respectively. No overtime work was arranged on normal working days and official public holidays.
4. The wages mechanism was well organized with a good controlled set of processes which were understood by all employees.
5. All employees were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they were paid.
6. Based on the provide records and employee interview, the facility provided paid leaves such as annual leave, sick leave, maternity leave etc. to employee as per law.
7. 10 employees' payroll and attendance records from February 2025 (current month), 10 employees' payroll and attendance records from September 2024 (random month) and 10 employees' payroll and attendance records from July 2024 (random month) were reviewed respectively in this audit. All employees were paid on or before 30th of each month through cash. Each employee was given a pay slip and signed for their wages.
8. Through document review and facility tour, no inconsistent was found between production records and provided attendance records.
9. During document review and employee interview, auditor found that there were eligible 46 employees (excuding 5 retirees) for social insurance in February 2025 (current month), but only 25 employees (54%) had participated in basic endowment insurance, injury insurance, unemployment insurance, basic medical insurance, and maternity insurance. In addition, the facility had provided the commercial injury insurance for rest 21 eligible employees (46%) and all 5 retirees which were valid from 2 April 2024 to 1 April 2026.

Details:

1. Document review.
2. Employee interview.
3. Local and national laws.
4. Wages and benefits policy.
5. Local legal minimum wage documents.
6. Payrolls for the period from March 2024 to February 2025 and attendance records for the period from 1 March 2024 to 31 March 2025 were provided for review.
7. Leave records.
8. Social insurance and payment receipts from the local labour department.
9. Labour contracts for selected employees (to examine agreed wage rates).
10. Resignation records.
11. Pay slips of all employees interviewed.

Findings: non-compliances

ZAF600877473		Non-compliance	Due 2025-06-08
Code area	Status		
5 Legal wages are paid	Open*		
Workplace requirement	Time given to resolve		
5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.	60 days		
Issue title	Verification method		
423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Follow up audit		
Description	Area of non-compliance/non-conformance		
<p>Insufficient social insurance participated. During document review and employee interview, auditor found that there were eligible 46 employees (excuding 5 retirees) for social insurance in February 2025 (current month), but only 25 employees (54%) had participated in basic endowment insurance, injury insurance, unemployment insurance, basic medical insurance, and maternity insurance. In addition, the facility had provided the commercial injury insurance for rest 21 eligible employees (46%) and all 5 retirees which were valid from 2 April 2024 to 1 April 2026.</p> <p>社会保险参保不足。在文件审核和员工访谈中，审核员发现2025年2月（当前月）符合参保条件的员工有46人（不包括5名退休人员），但参加基本养老保险、工伤保险、失业保险、基本医疗保险和生育保险的员工只有25人（54%）。此外，企业还为其余21名员工（46%）和所有5名退休人员提供商业意外伤害保险，有效期为2024年4月2日至2026年4月1日。</p>	Local law		
	Base code		
Corrective and preventative actions			
The facility would persuade the potential employees to participate in social insurance. The facility would provide regular training about social insurance for employees.			
Local law reference			
In accordance with 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			

国家税务总局浙江省税务局
缴 费 证 明

纳税人识别号: 33070000000000000000

缴费人名称	税 种	品 目 名 称	所属期间	应缴税额	实缴税额	滞纳金	罚款	备注
浙江吉利控股集团有限公司	企业所得税	企业所得税	2024-01-01至2024-03-31	1000.00	1000.00	0.00	0.00	
浙江吉利控股集团有限公司	个人所得税	个人所得税	2024-01-01至2024-03-31	500.00	500.00	0.00	0.00	
浙江吉利控股集团有限公司	增值税	增值税	2024-01-01至2024-03-31	2000.00	2000.00	0.00	0.00	
浙江吉利控股集团有限公司	消费税	消费税	2024-01-01至2024-03-31	100.00	100.00	0.00	0.00	
浙江吉利控股集团有限公司	房产税	房产税	2024-01-01至2024-03-31	50.00	50.00	0.00	0.00	
浙江吉利控股集团有限公司	车船税	车船税	2024-01-01至2024-03-31	10.00	10.00	0.00	0.00	
浙江吉利控股集团有限公司	印花税	印花税	2024-01-01至2024-03-31	5.00	5.00	0.00	0.00	
浙江吉利控股集团有限公司	契税	契税	2024-01-01至2024-03-31	20.00	20.00	0.00	0.00	
浙江吉利控股集团有限公司	土地增值税	土地增值税	2024-01-01至2024-03-31	100.00	100.00	0.00	0.00	
浙江吉利控股集团有限公司	其他税费	其他税费	2024-01-01至2024-03-31	10.00	10.00	0.00	0.00	
浙江吉利控股集团有限公司	合计			5005.00	5005.00	0.00	0.00	

浙江吉利控股集团有限公司
2024年4月1日

国家税务总局浙江省税务局
缴 费 证 明

纳税人识别号: 33070000000000000000

缴费人名称	税 种	品 目 名 称	所属期间	应缴税额	实缴税额	滞纳金	罚款	备注
浙江吉利控股集团有限公司	企业所得税	企业所得税	2024-01-01至2024-03-31	1000.00	1000.00	0.00	0.00	
浙江吉利控股集团有限公司	个人所得税	个人所得税	2024-01-01至2024-03-31	500.00	500.00	0.00	0.00	
浙江吉利控股集团有限公司	增值税	增值税	2024-01-01至2024-03-31	2000.00	2000.00	0.00	0.00	
浙江吉利控股集团有限公司	消费税	消费税	2024-01-01至2024-03-31	100.00	100.00	0.00	0.00	
浙江吉利控股集团有限公司	房产税	房产税	2024-01-01至2024-03-31	50.00	50.00	0.00	0.00	
浙江吉利控股集团有限公司	车船税	车船税	2024-01-01至2024-03-31	10.00	10.00	0.00	0.00	
浙江吉利控股集团有限公司	印花税	印花税	2024-01-01至2024-03-31	5.00	5.00	0.00	0.00	
浙江吉利控股集团有限公司	契税	契税	2024-01-01至2024-03-31	20.00	20.00	0.00	0.00	
浙江吉利控股集团有限公司	土地增值税	土地增值税	2024-01-01至2024-03-31	100.00	100.00	0.00	0.00	
浙江吉利控股集团有限公司	其他税费	其他税费	2024-01-01至2024-03-31	10.00	10.00	0.00	0.00	
浙江吉利控股集团有限公司	合计			5005.00	5005.00	0.00	0.00	

浙江吉利控股集团有限公司
2024年4月1日

[Insufficient social insurance participated-2.jpg](#)



[Insufficient social insurance participated-1.jpg](#)



* PDF generated at 05:47 (UTC) on 09 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Other (provide details) Wages meet a living wage Wages are based on job skills and experience All employees were paid by hourly rate and at least paid RMB 16 per hour which was higher than local minimum wages.
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) Wages were paid by cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0

Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	0.0
	Max hours per week	8.0
	Max hours per month	32.0
Minimum legal wage	Min per hour	13.0
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2260.0
Actual minimum wage	Actual per hour	16.0
	Actual per day	128.0
	Actual per week	640.0
	Actual per month	2784.0
Minimum legal overtime wage	Min per hour	19.5
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	24.0
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples for February 2025 (current month) 10 samples for September 2024 (random month) 10 samples for July 2024 (random 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 earning above 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> <ul style="list-style-type: none">1. The facility was aware of living wages and Anker methodology was used for Living Wage calculation by facility.2. The facility reviewed the employees' wages once per year to analysis the gap between the actual wages and living wages.3. The minimum wage paid by the facility was higher than the living wage calculated by the facility during last one year. <p>Evidence examined:</p> <ul style="list-style-type: none">1. Payroll records from March 2024 to February 2025 and attendance records from 1 March 2024 to 31 March 2025 were reviewed.2. Living wages calculation records3. Management interview and employee interview.		

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	Robust Management Systems
Explanation for management systems grades	<p>The facility has formulated written policies and procedures regarding attendance management, overtime regulations, overtime remuneration, production contingency plan, and so forth. The policies make reference to the Employees Manual, which outlines the key mechanisms in place for preventing workers from excessive working hours. Those procedures include provision for young workers, female workers and pregnant workers. It regularly undertakes reviews and updates of these policies and posts them on the employees' noticeboard.</p> <p>The senior manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>The Policy and procedure of working hour is communicated to workers annually through training conducted by Office Supervisor. There is general awareness of it amongst staff interviewed. Training in the procedures is mandatory for all office staff processing applications or onboarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regard to this training.</p> <p>The senior manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the Office Supervisor. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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. All the employees in employee interview stated that they worked overtime on voluntary basis.
2. In this audit, auditor had randomly selected production records: material delivery records, daily production records. And crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employee interview, no inconsistency was noted. All payroll records and attendance records required were provided by the facility timely.
3. The facility used electronic attendance system to record employees' working hours.
4. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
5. Based on provided attendance records, all employees had at least 1 day off per week.
6. Based on the attendance records provided by the facility, no daily overtime was arranged and max monthly overtime hours were 32 hours. The overtime hours refer to below.
- 0-0 hour/day in February 2025 (current month)
- 0-0 hour/day in September 2024 (random month)
- 0-0 hour/day in July 2024 (random month)

- 0-8 hours/week in February 2025 (current month)
- 0-8 hours/week in September 2024 (random month)
- 0-8 hours/week in July 2024 (random month)

- 16-16 hours/month in February 2025 (current month)
- 32-32 hours/month in September 2024 (random month)
- 32-32 hours/month in July 2024 (random month)

Details:

1. Employee interview.
2. Management interview.
3. Local and national laws.
4. Facility policy on working hours.
5. Time records in electronic keeping system.
6. Sample pay slips with recorded hours all employees interviewed.
7. Attendance records for the period from 1 March 2024 to 31 March 2025 were provided for review.
8. Quality and production records to cross check hours.
9. Employees contracts.

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?	Not applicable. Employees were paid at least 200% rate of standard wage for overtime hours in rest days, and no overtime hours in normal workdays and public holidays observed.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	48.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	48.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the facility is clearly stated in the Discrimination is practiced policy, which meets all workplace requirements in this code area. The policy stated that there is 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 membership or political affiliation. This procedure includes provision for non-employee workers (agency if applicable). The General manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training in the procedures is mandatory for all office staffs processing applications or onboarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regard to this training.</p> <p>The General manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the office team. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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. As informed by interviewed employees, most employees spoke highly of the facility owner.
2. Equal pay for equal job was in the facility.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. Anti-discrimination procedure on hiring, compensation, promotion and access to training was available during the audit.
5. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work.
6. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases.
7. There was no evidence of sexual harassment.
8. No any documents showed any differential treatment to different workers, constituting discriminating.

Details:

1. The hiring and termination procedure, leave application records and employee handbook.
2. Payrolls.
3. Attendance records.
4. Termination records.
5. Training records.
6. Employee interview.

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	6%
Representation of women in managerial roles (ratio of women workers to women managers)	6%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	6%
Three most common nationalities in managerial and supervisory roles	All employees including management and supervisor 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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the facility is clearly stated in the Regular employment Policy, which meets all workplace requirements in this code area. The policy stated that the facility assess all labour recruiters and intermediaries against legal and ethical requirements, workers pay no recruitment fee at any stage of the recruitment process, worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers, and etc. This procedure includes provision for non-employee workers (agency if applicable).</p> <p>The General manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training in the procedures is mandatory for all office staffs processing applications or onboarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regard to this training.</p> <p>The General manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the Office Supervisor. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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. All employees were recruited by the facility directly. No labour agency was used to hire employees. No temporary Employee, apprenticeship schemes or home employee was identified by the auditor.
2. No subcontractor was used by the facility. All manufacturing process were completed on site.
3. All employees had received copies of signed labour contracts.
4. The effective management system was in place to identify and monitor the hiring and management of all workers. All employees were hired legally and treated equally in the facility. No foreign employee was working at the facility.
5. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.
6. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Details:

1. The Recruitment and termination practices.
2. Personal files with labour contracts and ID copies for the employees.
3. Payroll records were provided for review.
4. Trainings records about the recruitment policy and procedure.
5. Management interview and worker interview.

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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the facility is clearly stated in the Sub-contracting and homeworking Policy, which meets all workplace requirements in this code area. The policy stated that no sub-contracting was used unless previously agreed with the main client, never used home working in its supply line and etc.</p> <p>The Sourcing Manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training in the procedures is mandatory for all office staff processing applications or onboarding. A training matrix utilized by line managers ensures that there is a very low chance of gaps in regard to this training.</p> <p>The Sourcing Manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the office team. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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. It was verified through document review, facility tour, management interview and employee interview that no subcontracting facility was used by the facility.
2. It was verified through document review, facility tour, management interview and employee interview that no home working was used by the facility.
3. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.

Details:

1. Written procedure of supplier management system.
2. The supplier list and the copies of business licenses of the supplier facility.
3. The social responsibility assessment questionnaire from supplier facility.
4. Facility tour.
5. Management interview.

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
No homeworker was used by suppliers of the facility.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
No Sub-contracting used by the facility.

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The position of the facility is clearly stated in the No harsh / inhumane treatment Policy, which meets all workplace requirements in this code area. 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, Companies should provide access to a confidential grievance mechanism for all workers and etc.</p> <p>The General manager is named within the policy as ultimately responsible for ensuring its resourcing, approval and regular review. Office Supervisor is allocated responsibility to implement the procedure in named areas, which includes all areas of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>Training at site is governed by a training procedure which is the specific responsibility of the Office Supervisor. The policy is available and communicated to all employees, and there is general awareness of it amongst staff interviewed. Training in the procedures is mandatory for all office staff processing applications or onboarding. A training matrix utilized by line manager ensures that there is a very low chance of gaps in regard to this training.</p> <p>The General manager was responsibility for monitoring the implementation of this procedure. The procedure requires that the yearly internal audit is conducted by the office team. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</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. According to the documentation, the facility management had established a disciplinary procedure for employees' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Employee interview confirmed that employees were aware of the disciplinary procedure.
2. As per management interview, document review and employees' interview, there was a policy on Harsh Treatment.
3. There was an internal process for grievance, which was an anonymous email address, where employees can report the grievances (harassment, bullying, discrimination etc.), any received complaint will be handled by management, without any reprisal for the employee in question. All sampled employees were awarded this system.

Details:

1. The relevant policy on prevention of harassment and abuse.
2. Internal grievance procedure documentation.
3. Training records.
4. Management and employee interview.

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
	The grievance process is available to all workers
	The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Grievance mechanism was established in the facility. Employees could raise grievance to manager directly or through suggestion boxes, worker representatives. No grievance was reported in the past 12 months.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The facility clearly states its position in the Environmental Sustainability Policy, which meets all environmental regulatory requirements within the industry (including waste management regulations, water resource protection regulations, air pollution prevention and control regulations, etc.). The policy makes reference to the Environmental Sustainability Policy Implementation Procedure, which outlines a series of measures for the company to achieve environmentally friendly operations. The General Manager is named within the Environmental Sustainability Policy as ultimately responsible for ensuring its resourcing, approval, and regular review. Office supervisor is allocated responsibility to implement the Environmental Sustainability Policy Implementation Procedure in named areas, covering all aspects of the business. Procedures are in place for interim responsibility in the case of position change or absence.</p> <p>The environmental policy and procedure are communicated to workers annually. Environmental training covers waste classification and disposal, water conservation, energy conservation and emission reduction, green procurement, and environmental emergency response. Training on the Environmental Sustainability Policy Implementation Procedure is mandatory for all employees including new employees. A training matrix utilized by line manager ensures that there is a very low chance of gaps in regard to this training.</p> <p>Responsibilities for monitoring the implementation of environmental measures are defined by the Environmental Sustainability Policy Implementation Procedure. The procedure requires regular check and audit, and the records should be kept of this verification. The latest internal audit was conducted in September 2024. Records are kept of monitoring activities. Any identification of misapplication of procedures, or concerns about application are escalated for action in the monthly management meeting.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had written environmental policy and procedure.
2. The facility conducted some training for all employees on the avoidance of environmental impact.
3. One senior manager Ms. Ye Lei / Office Supervisor was responsible for continuous improvements in their environmental performance.
4. The required environmental certificate: Pollutant discharge registration form was obtained by the facility. The environmental impact assessment (EIA) document for construction project, EIA approval for construction project, environmental protection acceptance check report were all exempted as per local law.
5. No hazardous waste, boundary noise, waste gas and wastewater were generated from production.
6. The facility has not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Details:

1. Environmental policy and procedure.
2. The pollutant discharge registration form.
3. List of environmental laws, regulations and client's environmental standards.
4. Appointment letter for environmental manager
5. Environmental training records.
6. Employee and management interview.
7. Facility tour

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	No such management certificates were obtained.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	Yes The facility had made plan to implement some adaptive measures to protect workers from the impact of climate change.

Attachments



[yarn warehouse.jpg](#)



[packing workshop.jpg](#)



[inspection workshop.jpg](#)



[cutting workshop.jpg](#)



[toilet.jpg](#)



[safety exit sign and emergency light.jpg](#)



[power box.jpg](#)



[no burning sign.jpg](#)



[suggestion box and attendance record machine.jpg](#)



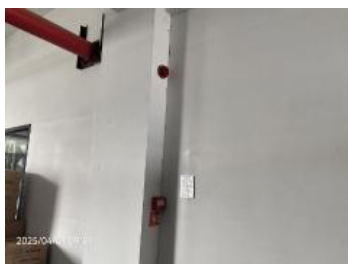
[fire sprinkler and smoke alarm.jpg](#)



[Occupational hazard warning card and PPE sign.jpg](#)



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