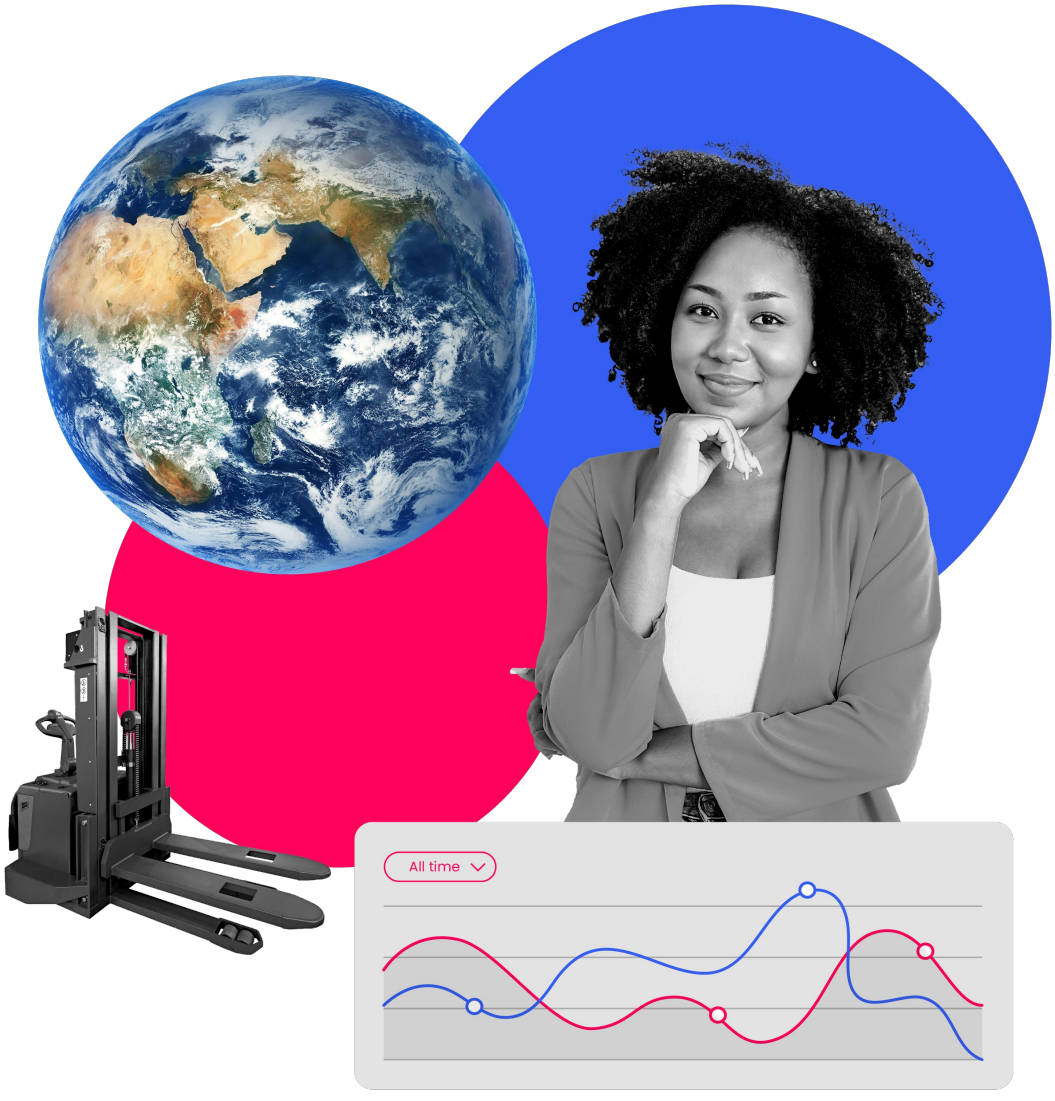
SMETA®
Sedex Members Ethical Trade Audit

Sedex Members Ethical Trade Audit Report

Version 7



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Attachments

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
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   - 5.A: Living Wages are Paid
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   - 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	ZC5000027844	**Auditor company name**	Benchmarks Company Limited
Date of audit	2025-04-15	**Audit conducted by**	Sedex member
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Site details

Sedex site reference	ZS1000032248	**Site name**	TONTON SPORTSWEAR (HUBEI) CO LTD
Business name	TONTON SPORTSWEAR (HUBEI) CO LTD	**Site address**	433099 121 North Xianyuan Avenue, Longhuashan Office, Xiantao City, Hubei Province, xiantao, CN
Site phone	07283206573	**Site email**	hr@sztonton.com

Audit parameters

Time in and out	Day 1	
	In	08:30
	Out	17:30
Audit type	Periodic	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Ms. Zhang Liangyuan / Personnel Manager	
Any conflicting information SAQ/Pre-Audit Info	No	
Is further information available?	No	

Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration	I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual. 1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform. 2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post–audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.		
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	The semi-announced window of this audit is from 2025/04/12 to 2025/05/12.		
Lead auditor	Aaron Xun	**APSCA Number**	32200400
Additional auditor	Evan Kong	**APSCA Number**	32400461
Date of declaration	2025-04-15		

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. Zhang Liangyuan
Title	Personnel Manager
Date of declaration	2025-04-15

Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC ZAF600877966
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§2	NC ZAF600877967
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safet...	§3	NC ZAF600877968
	3.M Ensure all machinery is installed, mainta...	§4	NC ZAF600877969

Local law issues

§1	In accordance with National Safety Technical Code for Electric Equipment's – GB19517-2009 2.2 Preventive measure against the hazard of electric shock Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy. 2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on.
§2	In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.
§3	Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury 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 disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease 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 child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
§4	In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Management systems

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

✕ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

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

✕ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

Site details

Company and site details

Sedex company reference	ZC5000027844	
Sedex site reference	ZS1000032248	
Company name	TONTON SPORTSWEAR (HUBEI) CO LTD	
Business ownership type	GOODS	
Site name	TONTON SPORTSWEAR (HUBEI) CO LTD	
Site name in local language		
GPS location	**GPS address**	121 North Xianyuan Avenue, Longhuashan Office, Xiantao City, Hubei Province
	Coordinates	N 30°22'7″ E 113°29'15″
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Ms. Zhang Liangyuan
	Job title	Personnel Manager
	Phone number	07283206573
	Email	hr@sztonton.com
Applicable business and other legally required business license numbers and documents	Business license: 91429004MACGJFAE68, valid from 2023-05-05 to non-fixed term.	

Site activities

Site function	Factory Processing/Manufacturer

Site activities

Site activities	**Primary**	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	Garments	
Process overview	The main products of the factory are garments. The main production processes are Ink-jet printing, Heat transfer printing, Cutting, Sewing, Ironing, Inspection and Packaging. The main machines used by the factory are cutting machines, Ink-jet printing machines, Heat transfer printing 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?	2269m^2	
Building 1	**Last construction works on site**	2007
	If building is shared, provide details	Nil
	Number of floors	1
	Description of floor activities	1F: Workshop, Wareshouse
Building 2	**Last construction works on site**	2007
	If building is shared, provide details	Nil
	Number of floors	2
	Description of floor activities	1-2F: Office
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 applicable No legal requirement.

Work patterns

Approximate workers on site per month (% of peak)	**January**	95-100%	**February**	95-100%
	March	95-100%	**April**	95-100%
	May	95-100%	**June**	95-100%
	July	95-100%	**August**	95-100%
	September	95-100%	**October**	95-100%
	November	95-100%	**December**	95-100%
Is there any night or back shift work at the site?	No			

Site assessments

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

Site assessments

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	No The site has not assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No There haven't been a Human Rights Impact Assessment conducted within the last three years at this site.

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	37 *(53.6%)*	32 *(46.4%)*	- -	69 *(100%)*

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	0 -	0 -	- -	0 *(0%)*
Temporary or fixed term employees	37 *(53.6%)*	32 *(46.4%)*	- -	69 *(100%)*
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	8 *(61.5%)*	5 *(38.5%)*	- -	13 *(18.8%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	8 *(61.5%)*	5 *(38.5%)*	- -	13 *(18.8%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	Anhui; Sichuan; Henan

Workers by age

	Men	Women	Other	Total
18 - 24 years old	2 *(100%)*	0 *(0%)*	- -	2 *(2.9%)*
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	Peak season was not obvious.
Please list the nationalities of all workers, with the three most common nationalities listed first	Chinese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	54%	46%	-	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	37 *(53.6%)*	32 *(46.4%)*	- -	69 *(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	37 *(53.6%)*	32 *(46.4%)*	- -	69 *(100%)*
Other	0 -	0 -	- -	0 *(0%)*

* % of total workforce

If other payment cycle entered, please provide details	NA

People in managerial, supervisorial and administrative roles

	Men	Women	Other	Total
Employees in management positions	0 *(0%)*	1 *(100%)*	- -	1
Supervisors or team leaders	1 *(50%)*	1 *(50%)*	- -	2
Administrative staff	8 *(33.3%)*	16 *(66.7%)*	- -	24

Worker interview summary

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?	
Was the interview sample representative of all types of nationality and employment types of workers?	Yes
Was the interview sample representative of the gender composition of the workforce?	Yes
Number and size of group interviews	1 group of 5 workers and 6 workers were interviewed individually.
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes
Was there any indication that workers had been 'coached' in how they should respond to questions?	No
What was the general attitude of the workers towards their workplace?	Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Facilities (e.g. rest area, recreation, canteen)
What did the workers like the most about working at this site?	Overtime
Additional comments	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers' committee/union representatives	The worker representatives expressed satisfaction with all aspects of management and working conditions, and cooperated well during the interview process.
Attitude of managers	The factory management cooperated with the auditor during both on-site observations and document reviews. They were also willing to address shortages and issues identified during the audit, and all audited areas were open for visitation.

Workers interviewed by type

	Total
Permanent workers	0
Temporary or fixed-term employees	11
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	11

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	3	2	-	5
Workers interviewed individually	3	3	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	1	1	-	2
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	1	1	-	2

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2024)	2.0%	2.0%	-	4.0%
Previous full calendar year (2023)	2.0%	1.0%	-	3.0%

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

Rate of absenteeism (%)*

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

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

Are accidents recorded?	Yes Accidents were recorded per month in the factory. It was noted that there were no accidents in this year.

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

	Men	Women	Other	Total

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

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1.The factory management was cooperative and opening in the audit, all requested documents, interviewees and the facility itself are accessible, the auditor is provided with genuine and authentic records. 2. The factory did not offer bribes or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The factory provided an accurate site description and Sedex site profile declared prior to or during the audit. 4.The factory maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and trained to relevant personnel. 5. The facility has ensured accurate records are shown and audit has been conducted with full transparency and integrity. Evidence examined 1.Sedex SAQ 2.Code of Conduct 3. Appointment records 4. Complaint records. 5. ETI management manual

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Yes The site provided the following documents of all workers for review: wage/benefit and working hour records, personal files including agedocuments, contracts/agreements and work permits, training records, andother HR related documents.

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory has well-developed written policies and procedures in line with ILO Conventions and local laws. These policies clearly state that all employment is freely chosen, and the recruitment process is detailed, ensuring that no coercion is involved. For example, the hiring procedure requires explicit consent from job applicants and provides information about employment terms and conditions in a clear and understandable manner. -Resources: A manager is assigned to oversee the recruitment process. However, the manager lacks in-depth training on the latest international best practices in recruitment. This could potentially lead to overlooking some subtle aspects of ensuring free choice in employment, such as not fully exploring the reasons behind an applicant's hesitation during the recruitment process. -Communication & Training: Workers are informed about their rights regarding freely chosen employment through regular announcements in the factory. There are also training sessions about employment-related policies. Nevertheless, some workers miss the training due to overlapping work shifts. For instance, during peak production periods, the scheduling of training conflicts with the work hours of some employees. -Monitoring: There is a monitoring mechanism in place, but it is not comprehensive. Currently, it mainly focuses on the initial hiring stage. For example, there are no regular follow-up surveys to check if employees still feel their employment is freely chosen during their tenure at the factory, especially during periods of significant work pressure.

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 site had policy which prohibited force labour and prison labour was available for review. 2.The hiring procedures stated that the ID cards should be presented upon hiring but only the copies of identification card will be kept in the personal files. The original one would be returned to workers. As per the interview, most of them get the hiring information from posters or internet. No deposit was collected by the facility. 3.The facility policy also stated that it was free for them resigned from the site with one month's prior written applications. The statutory holidays, benefits, wages, working hours were also included in the facility regulations. 4.The procedures also stated that the employees were free to have water break and rest during the work. They can refuse to conduct overtime work by notification in advance. All above were also confirmed in management and interview. Evidence examined: 1.Hiring procedures from Rules and Regulations of the facility. 2.HR employment system. 3.Employee manual. 4.Payrolls. 5.Personal data files (to check for if original documentation was held by facility). 6.Resignation documents of resigned employee. 7.Management and workers' 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	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory has established recruitment policies to ensure that workers have the right to work. However, the policy does not clearly define the process for verifying the eligibility of new hires from different provinces in detail. For example, it lacks specific steps for cross-checking identity documents with relevant provincial databases. -Resources: A manager is in charge of recruitment-related matters, but there is no clear division of responsibilities among the support staff. This leads to inefficiencies, such as delays in processing new hires' documentation because of unclear who should perform certain verification tasks. -Communication & Training: The factory conducts training on recruitment responsibilities, but it does not cover the latest changes in identity verification requirements for workers from different provinces. As a result, some staff may not be aware of new regulations, which could pose a risk in ensuring the entitlement to work. -Monitoring: There is a monitoring system for recruitment, but it does not have a set frequency for auditing recruitment files. For example, it is unclear how often the files should be reviewed to ensure that all necessary documents for entitlement to work are in place, which may lead to overlooked issues.

Summary of findings

Code area	Workplace requirement	Local law	Finding

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. Per document review, facility management representation and employee interview, all employees in the facility were Chinese. 2. All employees had the proper legal rights to work in this region. 3. All employees were recruited directly by the facility and no agency was involved in facility's recruitment processes. It was verified that there was no recruitment fees or related costs are incurred or charged to workers. 4. No agency staff or foreign employees were used by the facility. Evidence examined: 1. Hiring procedure. 2. Employees handbook. 3. Personal files and contracts. 4. Interview with management and workers.

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	19%
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	Anhui; Sichuan; Henan

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?	Not Applicable
Were recruitment fees or costs identified during worker interviews?	No NA. Workers interviews confirm that workers did not need to pay any recruitment fees.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory has a policy recognizing workers' right to freedom of association and collective bargaining. However, it does not clearly outline enforcement measures or workers' protections from retaliation. For example, in the policy, there are no specific regulations on how to handle cases where workers are retaliated against for trying to exercise their rights. -Resources: A manager is tasked with overseeing the implementation of policies regarding freedom of association and collective bargaining. The manager does allocate some resources to support these efforts, such as providing access to basic meeting spaces for worker representatives. However, the support is inconsistent. During busy production cycles, the resources earmarked for these activities are often diverted. For instance, the meeting rooms that were set aside for worker representatives to discuss their demands are frequently reassigned for production - related meetings, disrupting the representatives' ability to organize and plan for collective bargaining. -Communication & Training:The factory conducts training sessions for workers on their rights to freedom of association and collective bargaining. These sessions cover the basic concepts, and workers are generally aware of their rights in theory. However, the training lacks practicality. It doesn't teach workers how to negotiate effectively during collective bargaining. For example, there are no role-playing exercises or case-studies to help workers understand different negotiation strategies. Moreover, the training is not extended to the management team. As a result, managers may unknowingly hinder the process, as they lack understanding of the importance of these rights and how to engage constructively with worker representatives. -Monitoring:The factory has a system in place to monitor the implementation of policies related to freedom of association and collective bargaining. But this monitoring system has significant gaps. It mainly focuses on whether meetings between management and worker representatives take place, rather than the quality of these interactions. For example, there is no assessment of whether management is genuinely listening to workers' concerns during these meetings. Additionally, the feedback mechanism for workers to report issues related to these rights is complex and difficult to access.

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 factory management always respected workers' choice and the freedom of association and never interfered with workers to join the trade union or any other kind of workers committee. 2. There was no union in the factory. 3. The worker committee was made up of a worker representative who was democratically elected by the production workers. The worker representative normally have a meeting each season to summarize the concerns and complaints from production workers. 4. All interviewed workers stated that they could report their concerns to the worker representative or directly to the supervisor or upper management. 5. In addition, workers could also response their concerns through suggestion box. And all complaints or suggestions would be tackled within a short time. Evidence examined: 1. The policy on freedom of association and right to collective bargaining. 2. Social accountability manual included worker committee selection program and the responsibility of the worker representative. 3. Interview with workers. 4. Interview with management

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

Data points

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

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Fundamental Improvements Required
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Fundamental Improvements Required
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	-Policies & Procedures: The factory has an EHS (Environment, Health, and Safety) policy and procedure in place, which includes measures to ensure safe and hygienic working conditions. However, the procedure for handling chemical waste from ink and lubricants is not updated to the latest environmental standards. -Resources: A manager is appointed to oversee EHS implementation. The EHS team members are trained, and the factory has made efforts to provide appropriate personal protective equipment (PPE). However, there are still some resource-related issues. The EHS budget allocated for regular equipment maintenance is relatively tight. For example, the safety harnesses used by workers in areas with potential fall risks have not been inspected and maintained as frequently as required. Although they seem to be in working condition visually, a lack of proper maintenance may lead to undetected wear and tear, which could put workers in danger during actual use. Additionally, when it comes to training new EHS team members, the factory relies too much on internal training resources. The internal trainers have practical experience but lack up-to-date knowledge on the latest EHS technologies and best practices, which may limit the effectiveness of the training provided to new members. -Communication & Training:The factory has made some progress in EHS communication and training. It has a set schedule for EHS training, which covers essential aspects like machine safety and chemical handling. Workers are informed about the importance of EHS procedures through regular announcements and safety posters around the workplace. However, there are still areas that need improvement. Although new workers receive EHS training, the training is not tailored enough to their specific job roles. For example, workers in the printing department are given general chemical-handling training, but it doesn't fully address the unique risks associated with the ink and lubricants used in their printing processes. They are not trained in-depth on the proper disposal of the specific chemical waste generated in their work area. -Monitoring: The factory conducts regular safety inspections as part of its EHS monitoring efforts. These inspections cover various aspects of the workplace, including machinery, chemical storage, and working conditions. However, the monitoring system has some notable flaws.During the auditor's on - site visits, several sporadic non-compliance issues were identified.

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safet...	§1	NC ZAF600877968
	3.M Ensure all machinery is installed, mainta...	§2	NC ZAF600877969

Systems and evidence examined to validate this code section

Current Systems:
1. General Health and Safety management
- Health & Safety policy was established in the factory and the factory manager was familiar with it.
- Ms. Zhang/ Personnel Manager was appointed to be responsible for the facility's safety and health conditions.
- Purified water was provided free of charge to workers, the drinking water test report was up-to-date and kept in the factory and the test result was qualified.
- Lavatory facilities were accessible and adequate in number, private and segregated for men and women.
- Minutes of meetings showed that there were trimonthly meetings between the H&S committee (workers) and the H&S manager, and each point was acted on.
2. Fire Safety
- There were at least 2 exits from each work area.
- Firefighting equipment were adequate and checks were up-to-date.
- Fire drills were organized and recorded every 6 months for production unit, the latest fire drill was conducted on 2025/3/18.
- Training had been given to all employees.
3. Electrical safety
- There was 1 competent electrician at the site and his training certificate was available for review.
4. Medical services
- There were adequate first aid kits in each production area and they were well stocked.
- There were 2 trained first aid personnel on site.
5. Chemical safety
-Chemicals have proper safety labeling and were stored with secondary containment.
- Workers exposed to chemicals confirmed that they had been trained on chemical safety.
- Adequate PPE such as masks were provided to the workers exposed to chemicals.
- Material Safety Data Sheets were posted for chemicals in the warehouse.

Evidence examined:
1. Health and safety policy.
2. Health and safety manual.
3. Health and safety committee minutes.
4. Training records and certificates.
5. Special equipment inspection report.
6. Fire equipment maintenance records.
7. Fire drill and evacuation records.
8. Building structure safety certificate.
9. Fire safety certificate.
10. First aider certificates.
11. Checks on fire equipment.
12. Accident reports.
13. Electrician certificate.
14. Interview with H&S manager and committee members.
15. Interview with workers.
16. Site tour.

Findings: non-compliances

ZAF600877968

Non-compliance

Due 2024-05-25

Code area
3 Working conditions are safe and hygienic

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

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

Description
No proper cover was installed for partial electric control panel.
According to on-site observation, it was found that there is an electric switch without a protective cover in the factory's sewing workshop.厂区内部分电闸中无合适的防护盖.
根据现场观察，发现工厂车缝车间中有一个电闸没有防护盖。

Description (carried over)
No proper cover was installed for partial electric control panel.
According to on-site observation, it was found that there is an electric switch without a protective cover in the factory's sewing workshop.厂区内部分电闸中无合适的防护盖.
根据现场观察，发现工厂车缝车间中有一个电闸没有防护盖。

Corrective and preventative actions
The facility should install proper cover for all electric control panels
建议企业在所有的电闸上安装防护盖。

Corrective and preventative actions (carried over)
The facility should install proper cover for all electric control panels
建议企业在所有的电闸上安装防护盖。

Local law reference
In accordance with National Safety Technical Code for Electric Equipment's – GB19517-2009
2.2 Preventive measure against the hazard of electric shock
Insulation protective technology, direct/indirect touching protective technology, and so on could be adopted to provide adequate protection for electric shock hazard of electric equipments, which work in normal application, caused by direct effect of electrical energy.
2.2.1 To ensure smooth operation and prevent hazard from direct effect of electric current, electric equipments must be with adequate electric insulation performance including insulation resistance, electric strength, quality of thermal endurance, moisture-proof, filthiness-proof, flame resistance, and tracking resistance, and so on.

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

Evidence

Status
Open*

Time given to resolve
30 days

Verification method
Desktop audit

Area of non-compliance/non-conformance
Local law
Base code



No proper cover was installed for partial electric control panel.jpg

* PDF generated at 12:18 (UTC) on 15 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF600877969

Non-compliance

Due 2024-05-25

Code area
3 Working conditions are safe and hygienic

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

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

Description
Machines without protective devices.
During the audit, it was found that 15% of the sewing machines in the company were not equipped with needle protectors

设备缺少安全防护装置。
审核中发现企业15%的缝纫机没有安装护针器

Description (carried over)
Machines without protective devices.
During the audit, it was found that 20% of the sewing machines in the company were not equipped with needle protectors

设备缺少安全防护装置。
审核中发现企业20%的缝纫机没有安装护针器

Corrective and preventative actions
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.
建议企业需要在所有的缝纫机上安装护针器。

Corrective and preventative actions (carried over)
It is recommended that needle guard should be equipped to all sewing machines to comply with the law.
建议企业需要在所有的缝纫机上安装护针器。

Status
Open*

Time given to resolve
30 days

Verification method
Desktop audit

Area of non-compliance/non-conformance
Local law
Base code

Local law reference

In accordance with Law of the PRC on Work Safety article 29, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff.

Evidence



Machines without protective devices..jpg

* PDF generated at 12:18 (UTC) on 15 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 Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Workers come into contact with ink during the production process.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No floors were found to have been added.
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	-Policies & Procedures: The factory has a comprehensive Child Labour Prevention and Remediation Policy. It clearly states that child labor is not allowed and outlines strict hiring procedures. For example, it requires multiple forms of identity verification for new hires, including cross-checking with government databases to ensure no underage workers are hired. -Resources: A manager is designated as the overall responsible person for preventing child labor. Specific HR staff are assigned to implement the hiring procedures in all departments. There are backup plans in case of staff absence, ensuring continuous compliance. -Communication & Training: Training on child labor prevention is mandatory for all HR staff involved in the hiring process. The policy is also communicated to all employees, and there is high awareness among the workforce. For example, during interviews, all employees can clearly state the factory's stance on child labor. -Monitoring: The hiring procedure defines clear responsibilities for monitoring age-verification. HR leads conduct regular audits of hiring records, and any concerns are immediately escalated. For instance, when a new identity verification method was introduced, the monitoring system quickly adapted to ensure its proper implementation.

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 complete hiring procedure was established in the facility, which requires that the minors under 16 years old were not allowed to join the facility. 2.The facility would verify all employees' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. The system was effectively implemented. 3.The child labour remediation policy was established in the facility. 4.There was no student or apprentice at the facility. Evidence examined: 1. The recruitment policy on child labour. 2. Recruitment procedure. 3. Latest employee list. 4. Personnel files of all workers. 5. Interview with management and workers. 6. Site tour.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	2%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	23
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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	-Policies & Procedures: The factory has formal wage policies to ensure all workers are paid at least the legal minimum wage or the wage set by a legally binding Collective Bargaining Agreement (CBA), whichever is higher. The policies cover all aspects, including overtime, bonuses, wage deductions, and benefits, and explicitly prohibit illegal wage deductions, delayed payments, or unpaid work. -Resources: A dedicated manager oversees wage compliance. However, the manager lacks advanced software for accurately tracking wage payments and deductions. For example, the current system is prone to errors when calculating overtime pay for workers with complex work schedules. -Communication & Training: All workers receive written wage information before employment, and any wage changes are clearly communicated. Payroll and HR staff are trained on wage regulations and compliance. But the communication about wage - related policies could be more interactive. -Monitoring: The factory conducts regular audits of payroll records as part of its wage-monitoring efforts. However, these audits have significant limitations. While they do cover basic wage and overtime pay, they are not fully comprehensive. For example, the audits focus mainly on basic wage and overtime pay, and less on the proper calculation of benefits. Random wage verifications are conducted, but not frequently enough to catch all potential wage - related issues.Moreover, a more serious and systemic problem has been identified - the factory has issues with insufficient social security contributions.

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 ZAF600877967

Systems and evidence examined to validate this code section	Current Systems: 1. All employees' wages were calculated by hourly rate basis by cash before 15th of each month for the last month. 2. During this audit, the payroll records from Mar 2024 to Feb 2025 (current month) and attendance records from Mar 01, 2024, to the audit day were provided for review. As per review of 10 sampled employees' payrolls and attendance records from May 2024,September 2024 and February 2025(current month). 3. Legal minimum wage was RMB 1800 per month (RMB 10.34 per hour) effective from Feb 1, 2024. 4. According to the wage record, all workers' wages were calculated on hourly rate. The minimum wage paid by the factory was RMB 2000 per month (RMB 11.49 per hour). 5. Correct OT wage was paid: workers were paid 150% of the normal wages if the extension of working hours was arranged; workers were paid 200% of the normal wages if the extended working hours were arranged on days of rest; workers were paid 300% of the normal wages if the extended working hours were arranged on statutory holidays. 6. The payroll office was well organised with a good, controlled set of processes which were understood by all employees. 7. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid. 8. Benefits of paid, annual leave was given to all workers and child-bearing leave to appropriate workers. 9. Insufficient social insurance participated but the factory had bought the Group accident insurances for 87 employees within valid period. Evidence examined: 1. Wages and benefits policy and procedure 2. Local and national laws 3. Local legal min wage documents 4. Overtime premiums records 5. Labour contracts for all workers 6. Resignation records 7. Production records 8. Social security insurance payment receipts 9. Worker interview and management interview

Findings: non-compliances

ZAF600877967

Non-compliance

Due 2024-06-24

Code area
5 Legal wages are paid

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

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

Description
The participation in social insurance was insufficient.
There were a total of 96 employees in the factory (no temporary/dispatched/newly joined employees and 7 retired employees). The auditor checked the social insurance receipts of January, February, and March 2025. According to these receipts, among the 89 eligible employees, 70 (78.7%)had participated in basic retirement insurance, unemployment insurance, and work-related injury insurance, while 71 (79.8%)had participated in medical insurance and maternity insurance. Remark: The factory had bought Group accident insurance for 87 employees. Remark: The factory had bought Group accident insurance for 87 employees. The Group accident insurance was provided by "CPIC"
社会保险参保不足。工厂一共有 96 人（无临时工、派遣工、新进员工，有 7 名退休返聘员工）。审核员查看了 2025 年 1、2、3 月的社保收据。这些社保收据显示，89 名应参保员工中，有 70 人（78.7%）参加了养老、失业和工伤保险，71 人（79.8%）参加了医疗保险和生育保险。备注：工厂为 87 名员工购买了团体意外险。

Description (carried over)
Insufficient social insurance participated. Through document review, it was noted that not all employees had participated in all 5 types of social insurance. There were 98 employees in the factory, 10 of them had reached at retirement age, 4 newly hired workers, so factory should provide 5 kinds of insurance to 84 employees, according to the March 2024's receipt, the factory has purchased pension insurance, unemployment insurance, and work-related injury insurance for 26 employees, and medical insurance and maternity insurance for 20 employees.
Remark1: Factory had bought commercial accidental insurance for 40 employees: Policy No: AWUH02HE0123QAAAAALE, CPIC Insurance; valid to September 27, 2024
Remark2: Factory had bought commercial accidental insurance for 40 employees: Policy No:GP04162049256838, PING AN Insurance; valid to February 28, 2025

通过文件审查，注意到并非所有雇员都参加了所有5种类型的社会保险。工厂共有98名员工，其中10人已达到退休年龄，4名新雇佣工人，因此工厂应为84名员工提供5种保险，根据2024年3月的收据，工厂已为26名员工购买了养老保险、失业保险和工伤保险，为20名员工购买医疗保险和生育保险
备注1：工厂为40名员工购买了商业意外伤害保险：保单号：AWUH02HE0123QAAAAALE，中国太平洋保险；有效期至2024年9月27日
备注2：工厂为40名员工购买了商业意外伤害保险：保单号：GP04162049256838，中国平安保险；有效期至2025年2月28日

Corrective and preventative actions
It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.
建议企业应保证所有员工均参加全部五种社会保险。

Status
Open*

Time given to resolve
60 days

Verification method
Follow up audit

Area of non-compliance/non-conformance
Local law
Base code

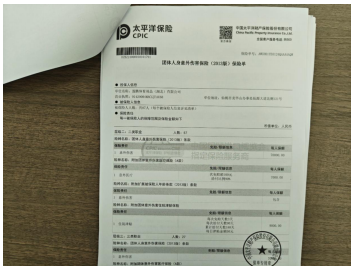
Corrective and preventative actions (carried over)

It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.
建议企业应保证所有员工均参加全部五种社会保险。

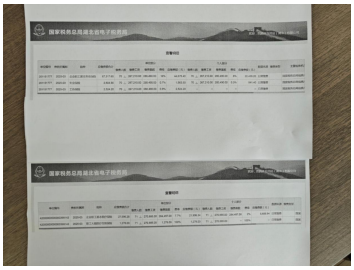
Local law reference

Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury 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 disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease 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 child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Evidence



Group accident insurance.jpg



The participation in social insurance was insufficient..jpg

* PDF generated at 12:18 (UTC) on 15 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?	The legal minimum wage Wages meet a living wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) The factory paid wages by cash to all workers.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker renumeration

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

Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Not available	
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**	2.0
	Max hours per week	12.0
	Max hours per month	38.0
Minimum legal wage	**Min per hour**	10.34
	Min per day	82.76
	Min per week	413.79
	Min per month	1800.0
Actual minimum wage	**Actual per hour**	11.49
	Actual per day	91.95
	Actual per week	459.77
	Actual per month	2000.0
Minimum legal overtime wage	**Min per hour**	15.52
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	17.24
	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 in February, 2025(Latest payment month) 10 samples in September, 2024(Random month) 10 samples in May, 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% workforce is earning above the legal minimum wage
Are there any bonus schemes used?	No
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. The factory calculated the minimum living wage for workers by counting their daily food expenses, housing expenses, other essential expenses for a family, and then adding a small margin for sustainability and emergencies. 2. The base wage plus benefits for on-site workers amounts to RMB 2600, which is higher than the living wage of RMB 2320. 3. The factory had assessed the living wage, and made living wage gap analysis. The analysis result showed that the factory workers' income could be fulfil the location living requirement. Evidence examined: 1. Statistical table of minimum living wage for workers. 2. Workers' payroll record 3. Interviews with management and workers.

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	-Policies & Procedures: The factory has well-written policies and procedures regarding working hours, including overtime regulations and production contingency plans. These policies are regularly reviewed and updated. For example, they have a clear rule that overtime should not exceed a certain number of hours per week, and there are provisions for special circumstances like peak production periods. -Resources: A manager is in charge of ensuring the implementation of working-hour policies. However, the manager lacks training on how to effectively manage production schedules to avoid excessive overtime. For example, during a recent production rush, the manager was unable to optimize the production plan, leading to unnecessary overtime for workers. -Communication & Training: The factory provides training on working-hour policies, but it does not evaluate the effectiveness of this training. For example, there is no way to know if workers fully understand the regulations on overtime, as there are no follow-up assessments. -Monitoring: The factory monitors working hours, but the monitoring system has significant flaws. It does not accurately track the overtime of individual workers in some departments. There is also a systemic issue of irresponsible overtime usage. Although the extent of overtime exceeding the limit is not severe, the factory seems to rely too much on overtime as a quick-fix for production demands. There is no clear long-term strategy to manage production volume without over-relying on overtime.

Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC ZAF600877966

Systems and evidence examined to validate this code section	Current Systems: 1. All workers used Finger print and face scanning system to record their working hours. 2. The factory's attendance system accurately recorded employees' working hours, and employees could report to the personnel department if the time records are wrong. 3. The attendance records from 1 March 2024 to the audit date were provided and samplings were checked during this audit. 4. The working hour policy, labour contracts, etc. indicated that the regular working hours at the factory were 8 hours per day and 5 days per week. 5. The factory arranges the production in accordance with the clients' orders, so there was no fixed peak or non-peak month. 6. Employees worked for 5 days a week in 1 shift and employees would work overtime on Saturdays if necessary. The normal working hour was from 08:00 to 17:30 with 1.5 hours' lunch break from 12:00 to 13:30. 7. All the employees in workers interview stated that they worked overtime on voluntary basis. 8. The maximum weekly working hours were 52 hours. 9. The maximum overtime hours were 2 hours per working day, 12 hours per week and 38 hours per month. 10. All workers had one day off in seven days. 11. Through the workers interview and document review, all production records, leave records and information obtained from the interview were consistent with the provided attendance records. 12. The factory established working hours and overtime management procedures that ensure working hours meet the international labour standards and national regulation. Evidence examined: 1. Factory policy on working hours 2. Local and national laws 3. Workers contracts 4. Attendance records 5. Production and quality records to cross check hours 6. Management interview and worker interview

Findings: non-compliances

ZAF600877966

Non-compliance

Due 2024-06-24

Code area
6 Working hours are not excessive

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

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

Description
Monthly overtime hours exceeded the legal limits (36 hours per month).
During document review, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for February 2025, September 2024 and May 2024 yielded the following:
(1) 0 out of 10 sampled employees were in excess of 36 overtime hours per month (i.e. maximum 36 hours) in February 2025.
(2) 10 out of 10 sampled employees were in excess of 36 overtime hours per month (i.e. maximum 38 hours) in September 2024.
(3) 10 out of 10 sampled employees were in excess of 36 overtime hours per month (i.e. maximum 38 hours) in May 2024.

每月加班时间超过法规要求（每月 36 小时）。
审核人员在审核时发现，抽样的员工加班时间超过了法定标准。通过对 2025 年 2 月、2024 年 9 月和 2024 年 5 月的出勤记录进行抽样审查，发现：
（1）在 2025 年 2 月，所抽取的 10 名员工的加班时间均未超过了36 小时（最高达 36 小时）。
（2）在 2024 年 9 月，所抽取的 10 名员工的加班时间均超过了 36 小时（最高达 38小时）。
（3）在 2024 年 5 月，所抽取的 10 名员工的加班时间均超过了 36 小时（最高达 38 小时）。

Description (carried over)
Monthly overtime hours in excess of 36.
Per document review, interview with management and workers, it was noted that the monthly overtime working hours exceeded 36 hours.
Factory provided 11 months' wage & attendance records from May 2023 to March 2024 for review, auditor sampled 3 months' records, cross checked with worker interview, management interview and production records:
•10 samples from March 2024 (Current): 100% samples' monthly overtime hours exceeded 36 hours, maximum 56 overtime working hours.
•10 samples from December 2023 (randomly): 100% samples' monthly overtime hours exceeded 36 hours, maximum 56 overtime hours.
•10 samples from September 2023 (randomly): 100% samples' monthly overtime hours exceeded 36 hours, maximum 48 overtime hours.
每月加班时间超过36小时。根据文件审查、与管理层和工人的访谈，发现每月加班时间超过36小时。
工厂提供了2023年5月至2024年3月的11个月工资和出勤记录供审查，审计员对3个月的记录进行了抽样，并与工人访谈、管理层访谈和生产记录进行了交叉核对：
•2024年3月的10个样本（当前）：100%样本的月加班时间超过36小时，最多56个加班小时。
•2023年12月的10个样本（随机）：100%样本的每月加班时间超过36小时，最多56小时。
•2023年9月的10个样本（随机）：100%样本的每月加班时间超过36小时，最多48小时。

Corrective and preventative actions
It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month as legal requirement.
建议企业减少加班时间，以确保其在法律规定的每月36小时内。

Status
Open*

Time given to resolve
60 days

Verification method
Follow up audit

Area of non-compliance/non-conformance
Local law
Base code

Corrective and preventative actions (carried over)

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month as legal requirement.
建议企业减少加班时间，以确保其在法律规定的每月36小时内。

Local law reference

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

Evidence



Monthly overtime hours exceeded the legal limits.jpg

* PDF generated at 12:18 (UTC) on 15 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	NA. 150%, 200% & 300% of regular rate for regular overtime hours, weekend overtime hours and overtime hours on statutory holidays respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	50.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	52.0
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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory has a comprehensive gender-fair policy with written procedures, an independent gender-fair action plan, and policies to address gender-related barriers. For example, the recruitment process is designed to be gender-neutral, and there are specific initiatives to promote female leadership in the factory. -Resources: A manager is responsible for implementing the anti-discrimination policies. However, the manager has limited resources to carry out in-depth investigations in case of discrimination complaints. For example, if a worker alleges discrimination, the manager may not be able to conduct a thorough investigation due to lack of time and personnel. -Communication & Training: Workers are well-informed about the anti-discrimination policies through regular training and communication. All employees are aware of the gender-fair projects in the factory, and there is a positive attitude towards these initiatives. For example, during team-building activities, the gender-fair policies are often discussed and promoted. -Monitoring: There is a monitoring system for anti-discrimination, but it mainly relies on self-reporting. There are no proactive measures to detect potential discrimination. For example, there are no regular audits of work areas to check for any signs of discriminatory behavior, which may lead to some cases going unnoticed.

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.No employee was required to do the examination of the hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment. 3.Anti-discrimination procedures for hiring, compensation, promotion and access to training were available during the audit. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work. 1)During the audit, the auditor carefully reviewed the written policies and procedures of the gender equity program. These documents clearly defined the goals and implementation steps for promoting gender equality within the workplace. 2)An independent gender equity action plan was also examined. It detailed specific short - term and long - term actions. For example, there were targeted recruitment efforts designed to increase female representation in male - dominated departments and vice versa, along with timelines for each action item. 3)The auditor noted the existence of policies and activities aimed at overcoming gender - related barriers. This included awareness-raising campaigns about unconscious gender biases in the recruitment and promotion processes. There were also training programs to help managers identify and address such biases. 4)The workplace gender equity project was evaluated. This project focused on creating an inclusive work environment. Initiatives such as flexible working arrangements were in place to accommodate the needs of both male and female employees, especially those with family responsibilities. Evidence examined: 1.Anti - discrimination policy and social accountability manual. 2.The hiring and termination procedure, leave application records and employee handbook. 3.Attendance records. 4.Training records. 5.Termination records. 6.Interview with management and workers. 7.Gender equity program materials, including written policies and procedures, the independent gender equity action plan, documents related to policies and activities against gender - related barriers, records of the workplace gender equity project.

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)?	9%
Representation of women in managerial roles (ratio of women workers to women managers)	3%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	3%
Three most common nationalities in managerial and supervisory roles	Chinese

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory provides written contracts or binding agreements that specify the terms and conditions of employment, including wages, hours of work, job description, notice period, and benefits. Contracts are provided in a language that the worker understands, and workers receive a copy. Changes to contracts are communicated and agreed upon in writing. The factory ensures that workers are not misclassified to avoid legal obligations. -Resources: A manager is responsible for ensuring that employment contracts comply with legal and contractual requirements. However, the manager has a heavy workload, which may lead to delays in reviewing and updating employment contracts. For example, some new legal requirements related to employment contracts have not been incorporated into the contracts in a timely manner. -Communication & Training: Workers are informed about their employment rights, including contract terms, pay, hours of work, and job expectations. Training is provided to HR personnel and managers to ensure understanding of employment laws. But the communication about contract changes could be more proactive. For example, some workers only learn about contract changes when they receive their updated contracts, without prior notice. -Monitoring: The factory conducts regular audits of employment contracts and pay records to ensure compliance. However, these audits have limitations. They tend to focus on major compliance aspects and often miss minor non - compliance issues. For instance, while auditing pay records, some minor adjustments in the calculation of shift allowances based on contract terms are overlooked.

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 workers were recruited by the factory directly and had properly signed contracts with the factory. 2. No labour agency was used to hire workers. 3. No home worker was identified by auditor. 4. Additionally, all of the workers were properly provided with one copy of the labour contract for his or her reference. Evidence examined: 1. Recruitment policy 2. The hiring and termination practices 3. Personal files and labour contracts 4. Interview with management interview and worker

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	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: Although the factory does not use sub-contractors or homeworkers currently, its policies lack a forward-looking approach. The policy does not outline how to manage sub-contracting or homeworkers if the business model changes in the future. For example, there are no risk-assessment procedures in place for potential sub-contracting relationships. -Resources: A manager is tasked with being prepared for potential sub-contracting scenarios. However, the manager has not received any training on sub-contracting management. This may cause difficulties in handling sub-contracting operations if they were to occur, such as not knowing how to select reliable sub-contractors. -Communication & Training: There is no communication or training regarding sub-contracting and homeworkers as they are not currently in use. But this lack of preparation may lead to problems if the situation changes. For example, if the factory decides to start using sub-contractors, workers may not know how their work will be affected. -Monitoring: There is no monitoring system for sub-contracting and homeworkers at present. Since there is no plan for future monitoring, it will be challenging to ensure responsible use if the factory starts using them. For example, without a monitoring system, it will be difficult to ensure that sub-contractors comply with the factory's quality and labor standards.

Summary of findings

Code area	Workplace requirement	Local law	Finding

No findings

Systems and evidence examined to validate this code section	Current Systems: 1. A site tour showed that all production processes were presented in the facility. 2. No sub-contracting or home-working was used in the facility. 3. As per management interview and factory tour, there was no homeworker used in the facility. Evidence examined: 1.List of approval suppliers. 2.Production records. 3.Interview with management and workers.

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 The Factory regularly carries out social compliance assessment for all their suppliers. No supplier was found to use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No The factory did not use subcontractors.
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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures: The factory has a strict policy against harsh or inhumane treatment. The policy clearly defines what constitutes such treatment and the consequences for violators. For example, any form of physical or verbal abuse is strictly prohibited, and there are specific disciplinary actions for those who violate this policy. -Resources: A manager is responsible for ensuring the implementation of the anti -harassment policy. However, the manager lacks additional resources for conducting in -depth investigations in case of complex harassment complaints. For example, if a complaint involves multiple witnesses and complex relationships, the manager may struggle to gather all the necessary information. -Communication & Training: Workers are informed about the policy through posters and regular announcements. But the training on how to report cases of harsh treatment is not comprehensive. -Monitoring: Regular audits and worker interviews are conducted to assess whether the workplace is free of harassment or inhumane treatment. However, the monitoring system may miss some subtle forms of harassment. For example, some workers may be hesitant to report minor instances of psychological harassment during interviews.

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. Through worker interview confirmed that employees were aware of the disciplinary procedure. 2. As per management interview, document review and worker interview, there was a policy on Harsh Treatment. 3. There was an internal process for grievance, which was an anonymous suggestion box, where employees could report any grievances (harassment, bullying and discrimination). Any received complaint would be handled by management, without any reprisal for the employee in question. All sampled employees were aware this system. Evidence examined: 1.The relevant policy on prevention of harassment and abuse. 2.Internal grievance procedure documentation. 3.Disciplinary action records. 4.Grievance records. 5.Training records. 6.Interview with management and workers.

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers
What type of grievance mechanism(s) are available?	Employees could raise their grievances directly to supervisors,worker representatives, or put letters in suggestion box to state their opinions and suggestions, and then the management would feedback to the specific reporter or post corresponding feedback on the bulletin board if it refers to all employees' care.
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	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

Management systems

Explanation for management systems grades	-Policies & Procedures: The factory conducts regular environmental protection training for workers. The training programs cover essential topics such as safe handling of chemicals used in the printing process and the importance of waste segregation. Workers are also informed about the existing environmental policies through on-the-job communication and internal notices. However, there are areas for improvement. The training content does not incorporate the latest environmental regulations. For example, recent local regulations have introduced new requirements for reducing volatile organic compound (VOC) emissions during the printing process. But the workers are not aware of these changes, and there is no plan in place to update the training accordingly. This lack of up-to-date information may lead to non-compliance in the future. -Resources: A manager has been appointed to oversee environmental management, and the factory has made efforts in this area. The EHS team members have received basic training on environmental protection related to the factory's operations. The factory also provides workers with personal protective equipment (PPE) relevant to environmental tasks, like masks for workers exposed to ink fumes. However, resource limitations still exist. The budget for environmental protection equipment upgrades is tight. For instance, the current exhaust gas treatment facilities were installed several years ago. Although they are functional, they are not equipped with the latest technology to handle new pollutants that may be emitted from the updated printing processes. This means that the factory may struggle to meet future, more stringent environmental standards without additional investment. -Communication & Training: The factory conducts regular environmental protection training for workers. The training programs cover essential topics such as safe handling of chemicals used in the printing process and the importance of waste segregation. Workers are also informed about the existing environmental policies through on - the - job communication and internal notices. However, there are areas for improvement. The training content does not incorporate the latest environmental regulations. For example, recent local regulations have introduced new requirements for reducing volatile organic compound (VOC) emissions during the printing process. But the workers are not aware of these changes, and there is no plan in place to update the training accordingly. This lack of up-to-date information may lead to non - compliance in the future. -Monitoring: The factory has implemented a monitoring system for environmental performance, which is a positive step. It regularly monitors the quality of exhaust gas emissions to ensure they meet current standards. This monitoring helps the factory identify and address immediate environmental issues related to air pollution. However, the monitoring scope is not comprehensive. For example, it does not track the energy consumption of production equipment. Given that the printing machines and other equipment consume a significant amount of electricity, monitoring energy use could provide valuable insights into the factory's overall environmental impact. By not measuring energy consumption, the factory misses opportunities to optimize its processes, reduce costs, and contribute to broader environmental goals such as energy conservation. Additionally, the monitoring system does not include an assessment of the long-term environmental impact of its waste management practices.

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. Mr. Hu/ Manager was responsible for the environment management system in the facility. 2. The facility management maintained all legally required environmental documents in place which proved that the production of the facility was in compliance with the related environmental regulations. 3. The annual monitoring report showed the pollutant discharging was in compliance with environmental law. 4. The factory had signed contract with the qualified collector and all hazardous waste generated by the factory would be submitted to the collector. 5. Based on management and employees' interview, they were trained on environmental protection. Evidence examined: 1. The relevant policy on prevention of environment. 2. Pollutant monitoring report. 3. Training records. 4. Interview with management and workers.

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?	NA
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. Mr. Hu/ Manager was responsible for the environment management system in the facility. 2. The factory has communicated the environmental policy to the suppliers, and conducted an annual audit of the suppliers. 3. The environmental management target and indicator plan has been formulated for continuous environmental improvement. 4. Weights of recycled waste were recorded for continuous improvement targets. 5. The factory had signed contract with the qualified collector and all hazardous waste generated by the factory would be submitted to the collector. 6. Based on management and employees'interview, they were trained on environmental protection. Evidence examined: 1. The relevant policy on prevention of environment and environmental management objectives and indicators. 2. Supplier annual audit record. 3. Waste disposal record. 3. Training records. 4. Interview with management and workers.

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory established the environmental system.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Not Applicable

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	720,000	800,000
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available
Total natural gas consumption (kWh)	0	0

Usage of other purchased fuels	0	0
Has the site completed any carbon footprint analysis?	No	No
Water sources	Municipal water supply	Municipal water supply
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	1,200	1,300
Water discharged	Municipal sewer system	Municipal sewer system
Water volume discharged (m3)	966	972
Water volume recycled (m3)	0	0
Total waste produced (mt)	13.5	12.6
Total hazardous waste produced (mt)	0.5	0.6
Waste to recycling (mt)	10	10
Waste to landfill (mt)	3	2
Waste to other (mt)	0	0
Total product produced (mt)	300	289

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	-Policies & Procedures:The factory has formulated a business ethics policy that lays a sound groundwork for ethical behavior within its own operations. It explicitly states the factory's dedication to integrity, honesty, and abiding by laws and regulations in internal processes. For example, it has clear guidelines on how employees should handle financial transactions and customer interactions to maintain ethical standards. However, in terms of the supply chain, the policy has room for improvement. Although the factory sources materials locally, its approach to ensuring suppliers' ethical practices is insufficient. -Resources: A manager is assigned the responsibility of implementing the business ethics policy, and the factory has provided certain resources to assist in this task. The manager has access to basic business ethics resources like industry reports and ethical guidelines. Nevertheless, the manager faces challenges due to the absence of a dedicated team for conducting comprehensive ethical audits. -Communication & Training: Workers receive training on business ethics, but the training is theoretical and lacks real-world examples relevant to the factory's operations. For example, the training does not discuss how to handle situations where a local supplier offers a bribe to secure a contract. -Monitoring: The factory has a monitoring system in place for business ethics, which does contribute to maintaining ethical standards within its internal operations through regular internal audits and employee conduct checks. However, its oversight of external partners, particularly suppliers, is lacking comprehensiveness.While the factory does make some efforts to assess suppliers, these evaluations are rather superficial. It mainly focuses on basic aspects like product quality and delivery schedules. For instance, during supplier assessments, the factory might review product samples and check if the delivery times are met. But when it comes to ethical practices, the monitoring is insufficient. There are no in - depth audits to verify if suppliers are adhering to ethical labor standards, environmental regulations, or anti - corruption measures.The factory only conducts occasional, cursory reviews of suppliers' ethical statements, without any follow-up investigations. This means that potential ethical issues could easily go unnoticed..

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section	Current Systems: 1. Mr. Hu/ Manager was the designated person responsible for implementing standards concerning. Business Ethics, and that site practices were conducted without any corruption and/or bribery. 2. The factory established a business ethics policy which was communicated to workers through posters and training. 3. The factory had received and read the Business Ethics policy of the auditor/audit company. 4. The Business Ethics policy, worker handbook and training record had provided to auditor for reviewed. Evidence examined: 1. Business ethics policy including Bribery and Corruption. 2. Training records. 3. Worker handbook and Reports from Anonymous email account. 4. Worker and management interview.

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	NA

Attachments

ZAA600125442_BMXM021059-01B_TONTON SPORTSWEAR (HUBEI) CO.,LTD._Periodic_15 April 2025_Photo Form(4P).pdf

ZAA600125442_BMXM021059-01B_TONTON SPORTSWEAR (HUBEI) CO.,LTD._Periodic_15 April 2025_Signed CAPR(4P).pdf

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