

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

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

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC408244681	Auditor company name	BUREAU VERITAS CPS - ASIA
Date of audit	2024-11-20	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety		

Site details

Sedex site reference	ZS408247377	Site name	Guangzhou Annabelle handbag Co Ltd
Business name	DongGuan Jiehan Leather Technology Co Ltd	Site address	810850 3rd Floor, No. 3 Wangcheng Road, Shiling Town, Huadu District, Guangzhou 510850 广州市花都区狮岭镇望成路3号三楼810850, Guangzhou, CN
Site phone	0769 -87193858	Site email	villychen@senhan88.com

Audit parameters

Time in and out	Day 1		
	In	08:00	
	Out	16:00	
Audit type	Full initial		
Was the audit announced?	Announced		
Was the Sedex SAQ available for review?	Yes		
Who signed and agreed CAPR?	Ms. Ke Wenyue / 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	No worker union		
Reason for absence during the audit	No worker union		
Reason for absence at the closing meeting	No worker union		

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)

Nil

Lead auditor

Benny Jin

APSCA Number

21701343

Additional auditor

Date of declaration

2024-11-20

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. Ke Wenyue
Title	Manager
Date of declaration	2024-11-20

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	§1	NC ZAF600713523
	3.H Where identified as necessary to reduce r...	§2	NC ZAF600713524
	3.M Ensure all machinery is installed, mainta...	§3	NC ZAF600713525
	3.E Provide and record health and safety trai...	§4	NC ZAF600713526
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§5	NC ZAF600713527
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§6	NC ZAF600713528

Local law issues

S1	In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. 根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。
S2	In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use. 根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。
S3	Legal Requirement: In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. 根据《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条：以操作人员的操作位置所在平面为基准，凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位，都必须设置安全防护装置。
S4	In accordance with Article 24 of Law of the People's Republic of China on Production Safety, Units of production, operation and storage of mining, metal smelting, building construction, road transport units and dangerous goods shall set up a safety production management institution or be equipped with full-time safety production management personnel. Production and business units other than those specified in the preceding paragraph, employing more than one hundred people, should be set up safety management agency or have full-time personnel for the administration of production safety; in less than one hundred employees, shall be equipped with safety production management personnel full-time or part-time. In accordance with Article 10 of Provisions on safety training for production and business units, the safety training of the Principal Responsible Person of production and business units and the safety production management personnel shall be carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department. In accordance with Article 12 of Provisions on safety training for production and business units, for coal, non-coal mines, dangerous chemicals, fireworks and other production and business units responsible for production management and safety personnel, their safety qualification training and examination shall be managed by the safety supervision department and issued safety certificate. The Principal Responsible Person of production and business units and the safety production management personnel of other production and business units shall pass the qualified training by qualified training institutions and obtain training certification. 根据《中华人民共和国安全生产法》第二十四条，矿山、金属冶炼、建筑施工、道路运输单位和危险物品的生产、经营、储存单位，应当设置安全生产管理机构或者配备专职安全生产管理人员。前款规定以外的其他生产经营单位，从业人员超过一百人的，应当设置安全生产管理机构或者配备专职安全生产管理人员；从业人员在一百人以下的，应当配备专职或者兼职的安全生产管理人员。 根据《生产经营单位安全培训规定》第十条 生产经营单位主要负责人和安全生产管理人员的安全培训必须依照安全生产监督管理部门制定的安全培训大纲实施。 根据《生产经营单位安全培训规定》第十二条 煤矿、非煤矿山、危险化学品、烟花爆竹等生产经营单位主要负责人和安全生产管理人员，经安全资格培训考核合格，由安全生产监督管理部门发给安全资格证书。其他生产经营单位主要负责人和安全生产管理人员经安全生产监督管理部门认定的具备相应资质的培训机构培训合格后，由培训机构发给相应的培训合格证书。

S5	In accordance with Article 72 of the Labor Law of the People's Republic of China, the factory and its employees shall participate in social insurance schemes and pay social insurance premiums as per the legal requirements. This may include Pension, Medical, Industrial injury, Unemployment, Maternity insurance schemes. 根据《中华人民共和国劳动法》第72条：社会保险基金按照保险类型确定资金来源，逐步实行社会统筹。用人单位和劳动者必须依法参加社会保险，缴纳社会保险费。
S6	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

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

- ✖

Not addressed
- ⚠

Fundamental improvements required
- i

Some improvements recommended
- ✔

Robust management systems

Site details

Company and site details

Sedex company reference	ZC408244681	
Sedex site reference	ZS408247377	
Company name	DongGuan Jiehan Leather Technology Co Ltd	
Business ownership type	GOODS	
Site name	Guangzhou Annabelle handbag Co Ltd	
Site name in local language	广州市安娜贝拉手袋有限公司	
GPS location	GPS address	3rd Floor, No. 3 Wangcheng Road, Shiling Town, Huadu District, Guangzhou 510850
	Coordinates	Latitude: N 23°27'8" Longitude: E 113°10'40"
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Ke Wenyue
	Job title	Manager
	Phone number	0769 -87193858
	Email	villychen@senhan88.com
Applicable business and other legally required business license numbers and documents	Business license: No.91440114MABWQ62X71, long term valid starting from September 5, 2022.	

Site activities

Site function	Factory Processing/Manufacturer
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Site activities

Site activities	Primary	Manufacture of luggage, handbags and the like, saddlery and harness
	Secondary	
	Other	
Product type	bag	
Process overview	The factory specialized in the manufacture of bag; Main production activities included cutting, sewing, handmaking and packing; There are 1 production line in the factory; Main equipment are cutting machines and sewing machines.	
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?	5250m ²	
Building 1	Last construction works on site	2005
	If building is shared, provide details	part area of the 1st floor, the whole 2nd floor and 4th to 5th floor were occupied by other factories, other factories had independent businesses and employees.
	Number of floors	5
	Description of floor activities	Floor 1: part area occupied by other factory and part area occupied by audited factory used as cutting workshop; Floor 2: used by other factory; Floor 3: audited factory used as sewing and packing workshop, warehouse and office; Floor 4-5: used by other factory.
Is there any difference between the site scope of the audit and the Sedex site profile?	No	

Site scope

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? No

Is any activity conducted onsite not included within the scope of the audit? No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
No transportation was provided

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 did not assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?

No

No Human Rights Impact Assessment (HRIA) had been 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	6 (28.6%)	15 (71.4%)	- -	21 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	6 (28.6%)	15 (71.4%)	- -	21 (100%)
Temporary or fixed term employees	0 (0%)	0 (0%)	- -	0 (0%)
Agency or subcontracted workers	0 (0%)	0 (0%)	- -	0 (0%)
Seasonal workers	0 (0%)	0 (0%)	- -	0 (0%)
Self-employed workers	0 (0%)	0 (0%)	- -	0 (0%)
Informal workers including home workers	0 (0%)	0 (0%)	- -	0 (0%)
Apprentices, trainees or interns	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	6 (28.6%)	13 (61.9%)	- -	19 (90.5%)
International migrant workers	0 (0%)	0 (0%)	- -	0 (0%)
Total migrant workers	6 (28.6%)	13 (61.9%)	- -	19 (90.5%)

* % of total workforce

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

Guangxi, Hunan, Jiangxi, Sichuan

Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 (0%)	1 (4.8%)	- -	1 (4.8%)
15 - 17 years old	0 (0%)	0 (0%)	- -	0 (0%)
Under 15 years old	0 (0%)	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	No peak season in the factory.
Please list the nationalities of all workers, with the three most common nationalities listed first	Chinese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	29%	71%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid hourly / daily rate	6 (28.6%)	15 (71.4%)	- -	21 (100%)
Salaried workers	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 (0%)	0 (0%)	- -	0 (0%)
Paid weekly	0 (0%)	0 (0%)	- -	0 (0%)
Paid monthly	6 (28.6%)	15 (71.4%)	- -	21 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

N/A, no other payment cycle entered.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	0 (0%)	2 (9.5%)	- -	2
Supervisors or team leaders	0 (0%)	1 (4.8%)	- -	1
Administrative staff	0 (0%)	1 (4.8%)	- -	1

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

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?	Grievance mechanisms
What did the workers like the most about working at this site?	Work atmosphere (e.g. treatment by supervisors)
Additional comments	10 workers were selected for interview including 5 male and 5 female employees, they were interviewed as 1 group of 5 and the balance of 5 workers were interviewed individually. In the interview process, they were frank; no hint or coaching by management was noted. The workers' attitudes to factory management were favorable. They were satisfied with the working condition and the management's behaviors. No negative information was raised during this audit.
Attitude of workers' committee/union representatives	The worker's committee stated that managements were polite to them.
Attitude of managers	At the opening meeting, auditor explained the audit scope and the audit standard to the factory representative. Factory tour, document review, interviews of management members and workers were conducted as scheduled. A full audit was finished under the co-operation with the factory representatives. During the factory tour, auditor was allowed to access the whole factory area. Factory management also allowed auditor to select the samples, review documents, and interview production workers in a private and confidential manner.

Workers interviewed by type

	Total
Permanent workers	10
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	10

Workers interviewed by group/individual

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

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	4	-	9
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	4	-	9

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	5.0%	5.0%	-	5.0%
Last full calendar year (2023)	5.3%	5.1%	-	5.3%
Previous full calendar year (2022)	6.0%	6.5%	-	6.3%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	2.4%	-	2.2%
Last full calendar year (2023)	3.0%	3.5%	-	3.3%
Previous full calendar year (2022)	3.5%	3.0%	-	3.1%

* 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

Accident record was kept but no accident happened.

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

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	Current systems: There is social compliance management team set up in this factory, regular internal audit was conducted. And the management team will conduct management review annually. The factory had assign specific senior person in place that would be responsible for implementation of the code. The factory also communicates this Code to all employees by training as confirmed by training records and worker interviews. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. Management interview 2. Training records 3. Worker interview 4. Social compliance policy and Code of Conduct policy review		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	No

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

Based on documents review, management and employee private interviews, no forced, bonded or involuntary prison labor was noted, and all sampled employees were not required to lodge “deposits” or their identity cards; employees were free to leave or resign after reasonable notice. The factory did not detain any original documents such as ID Cards or Educational Certificates etc. The factory had assigned HR to take charge for responsible recruitment.

Factory had directly hired all the workers in production workshop. According to management and employee interview, no immigrant workers worked in the factory, and all workers in the factory own the legal right. No recruitment fee was noted.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Personnel files
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and worker interview

1. Employment is freely chosen

Data points

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

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

Systems and evidence examined to validate this code section

Current systems:

Based on documents review, management and employee private interviews, no forced, bonded or involuntary prison labor was noted, and all sampled employees were not required to lodge "deposits" or their identity cards; employees were free to leave or resign after reasonable notice. The factory did not detain any original documents such as ID Cards or Educational Certificates etc. The factory had assigned HR to take charge for responsible recruitment.

Factory had directly hired all the workers in production workshop. According to management and employee interview, no immigrant workers worked in the factory, and all workers in the factory own the legal right. No recruitment fee was noted.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. Personnel files
2. Resignation records
3. Factory rules
4. Employee handbook
5. Management and worker interview

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	91%
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	Guangxi, Hunan, Jiangxi, Sichuan

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

No recruitment fees or costs were identified during worker interviews.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	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	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: Based on management and employee private interview, workers can raise their concerns through the telephone, meetings or directly to their team leaders or superiors. According to workers' interview, they were free to join organizations of their own choice; the factory management recognized and respected their rights to freedom of association and collective bargaining; and the employees were not subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. Management interview 2. Worker interview 3. Suggestions from the workers 4. Freedom of Association procedure review		

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

Data points

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

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. However, the factory did not implemented the management system strictly which caused some improvements were recommended.

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	§1	NC ZAF600713523
	3.H Where identified as necessary to reduce r...	§2	NC ZAF600713524
	3.M Ensure all machinery is installed, mainta...	§3	NC ZAF600713525
	3.E Provide and record health and safety trai...	§4	NC ZAF600713526

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management
 - EHS committee was established for Health & Safety for the site.
 - Potable water was free of charge and available.
 - Sufficient clean toilets segregated by gender were available at all times to workers.
 - Ventilation, temperature and lighting were adequate for the production processes.
2. Fire Safety
 - Sufficient exits were available in each work area and these were clearly marked.
 - Fire-fighting equipment was adequate and checks were up-to-date.
 - Evacuation diagrams were posted in all areas and understood by all workers interviewed.
 - Fire drills were semi-annually organized and recorded, the most recent 2 drills were conducted on Mar 22, 2024 and Sept 23, 2024.
 - Training had been given to all employees and fire marshals had been specially selected for extra training.
3. Electrical safety
 - Electrical equipment was installed with protective cover and maintained monthly.
 - There were competent electricians at the site and their training certificates were available for review.
4. Chemical safety
 - Workers in charge of chemical management stated that they had been trained on correct handling procedures as well as what to do in an emergency.
5. Medical services
 - First aid supplies were provided in case of emergency.

Remark: Legal construction safety document was provided for review and 3rd party structural engineer evaluation was not provided, and it was not required by local law.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

1. EHS policy review, related training record review
2. Required licenses on building safety and fire safety
3. Inspection records covered fire safety, machine safety, electric safety, etc.
4. Worker interview
5. Management interview

Findings: non-compliances

ZAF600713523

Non-compliance

Due 2024-12-27

Code area 3 Working conditions are safe and hygienic	Status Open*
Workplace requirement 3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.	Time given to resolve 30 days
Issue title 233 - Hazardous substances (e.g. chemicals and pesticides) are stored unlabelled or labelling is incorrect	Verification method Desktop audit
Description It was noted that the factory did not attach safety labels for 2 out of 10 bottles of glue used in the handmade workshop. 审核发现工厂没有在手工车间使用的2/10瓶胶水张贴安全标签。	Area of non-compliance/non-conformance Local law Base code
Corrective and preventative actions It is recommended that management adopt practices and controls to ensure that all glue used in the workshop are posted with safety labels. 建议所有在工厂内使用的胶水都张贴安全标签, 标签的内容要完整。	

Local law reference

In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. 根据《工作场所安全使用化学品规定》第14条：(1)使用单位购进的化学品需要转移或分装到其他容器时，应标明其内容。对于危险化学品，在转移或分装后的容器上应贴安全标签；(2)盛装危险化学品的容器在未净化处理前，不得更换原安全标签。



[no safety label.JPG](#)

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ZAF600713524

Non-compliance

Due 2024-12-27

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

It was noted that 1 out of 1 employee contacting glue in the handmaking workshop did not wear the protective gloves and mask provided by the factory. 审核员发现工厂手工车间1/1名接触胶水的员工没有佩戴工厂提供的口罩和手套。

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that necessary personal protective equipment is provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately. 建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。

Local law reference

In accordance with Article 45 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use. 根据《中华人民共和国安全生产法》第45条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。

Evidence



[not wearing gloves and mask.JPG](#)



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ZAF600713525

Non-compliance

Due 2024-12-27

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

It was noted that the transmission belts of 2 out of 5 high-speed sewing machines in the sewing workshop were not equipped with pulley guards and 3 out of 20 sewing machines in the sewing workshop were not equipped with needle guards. 审核发现工厂缝制车间2/5台高车没有为外露的传动皮带安装皮带保护罩, 3/20台平车没有安装针挡。

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with proper machine guard. 建议工厂为所有的缝纫机安装机器保护装置。

Local law reference

Legal Requirement: In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the exposed dangerous components or part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels, electric saw and others, which is within 2 meters height of the plane where the operator is operating such devices shall be equipped with safety devices. 根据《生产设备安全卫生设计总则 (GB5083-1999)》第6.1.6条: 以操作人员的操作位置所在平面为基准, 凡高度在2m之内的所有传动带、转轴、传动链、联轴节、带轮、齿轮、飞轮、链轮、电锯等外露危险零部件及危险部位, 都必须设置安全防护装置。

Evidence



[no pulley guard.JPG](#)



[no needle guard.JPG](#)



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ZAF600713526

Non-compliance

Due 2024-12-27

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.E Provide and record health and safety training to all new workers, prior to exposure to risks. Provide continued training to existing workers, as appropriate for the hazards and levels of risk identified.

Issue title

166 - No/inadequate health and safety training for managers

Description

It was noted that the safety training for the Principal Responsible Person of production and business units and safety production management personnel (full time) in the factory was not carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department.
审核员发现厂方的生产经营单位主要负责人和安全生产管理人员(全职)并未参加相关的安全培训并获得培训合格证书。

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that facility is equipped with safety production management personnel as legal requirement, and ensure the Principal Responsible Person in charge of the production and business operation unit and the safety production management personnel have the knowledge and management ability of production safety related to the production and operation activities of the entity, and the safety training is carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department.
建议工厂按照法规配备安全生产管理人员，确保工厂的主要负责人和安全生产管理人员参加相关的安全培训并获得培训合格证书。

Local law reference

In accordance with Article 24 of Law of the People's Republic of China on Production Safety, Units of production, operation and storage of mining, metal smelting, building construction, road transport units and dangerous goods shall set up a safety production management institution or be equipped with full-time safety production management personnel. Production and business units other than those specified in the preceding paragraph, employing more than one hundred people, should be set up safety management agency or have full-time personnel for the administration of production safety; in less than one hundred employees, shall be equipped with safety production management personnel full-time or part-time.
In accordance with Article 10 of Provisions on safety training for production and business units, the safety training of the Principal Responsible Person of production and business units and the safety production management personnel shall be carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department.
In accordance with Article 12 of Provisions on safety training for production and business units, for coal, non-coal mines, dangerous chemicals, fireworks and other production and business units responsible for production management and safety personnel, their safety qualification training and examination shall be managed by the safety supervision department and issued safety certificate.
The Principal Responsible Person of production and business units and the safety production management personnel of other production and business units shall pass the qualified training by qualified training institutions and obtain training certification.
根据《中华人民共和国安全生产法》第二十四条，矿山、金属冶炼、建筑施工、道路运输单位和危险物品的生产、经营、储存单位，应当设置安全生产管理机构或者配备专职安全生产管理人员。前款规定以外的其他生产经营单位，从业人员超过一百人的，应当设置安全生产管理机构或者配备专职安全生产管理人员；从业人员在一百人以下的，应当配备专职或者兼职的安全生产管理人员。
根据《生产经营单位安全培训规定》第十条 生产经营单位主要负责人和安全生产管理人员的安全培训必须依照安全生产监督管理部门制定的安全培训大纲实施。
根据《生产经营单位安全培训规定》第十二条煤矿、非煤矿山、危险化学品、烟花爆竹等生产经营单位主要负责人和安全生产管理人员，经安全资格培训考核合格，由安全生产监督管理部门发给安全资格证书。其他生产经营单位主要负责人和安全生产管理人员经安全生产监督管理部门认定的具备相应资质的培训机构培训合格后，由培训机构发给相应的培训合格证书。

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
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?	Site owned transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No structural additions (e.g. added floors) was noted.
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	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The factory establishes a policy that it will never employ or use any child labor under the age of 16 years old. The factory will verify all workers' original ID cards at the time of recruitment and keep the photocopies of workers' ID cards in the personnel files. The youngest employee noted in the factory was 18 years old. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. Social compliance policy review, hiring policy review, employee file review 2. Management interview 3. Worker interview		

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	4%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. However, the factory did not implemented the management system strictly which caused some improvements were recommended.

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 ZAF600713528

Systems and evidence examined to validate this code section

Current systems:

1. All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
2. All sampled employees were paid at least RMB 13.22 per hour, which was met the local minimum wage standard RMB 13.22 per hour.
3. All employees were paid at least 150%, 200% of their normal wage for overtime hours worked on weekdays and rest days respectively.
4. Wages were issue to employees on 15th of each month for the wage of the previous month by bank transfer.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Document review
- Worker interview
- Local and national laws
- Wages and benefits policy
- Local legal minimum wage documents
- Payroll records
- Leave records
- Social insurance and payment receipts from the local labour department
- Labour contracts for all employees (to examine agreed wage rates)
- Resignation records
- Payslips of all workers interviewed
- Hours records to check hourly rates and any overtime premiums

Findings: non-compliances

ZAF600713528	Non-compliance	Due 2025-01-26
Code area 5 Legal wages are paid	Status Open*	
Workplace requirement 5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.	Time given to resolve 60 days	
Issue title 423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	Verification method Follow up audit	
Description It was noted that the factory did not participate in the social insurance program. No employees were provided with social insurance benefits. And factory provided all employees with commercial injury insurance, which was valid from March 11, 2024 to March 10, 2025. 审核员发现工厂未为员工提供社会保险福利。工厂为所有员工提供了商业意外险，有效期从2024年3月11日到2025年3月10日。	Area of non-compliance/non-conformance Local law Base code	
Corrective and preventative actions It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。		
Local law reference In accordance with Article 72 of the Labor Law of the People's Republic of China, the factory and its employees shall participate in social insurance schemes and pay social insurance premiums as per the legal requirements. This may include Pension, Medical, Industrial injury, Unemployment, Maternity insurance schemes. 根据《中华人民共和国劳动法》第72条：社会保险基金按照保险类型确定资金来源，逐步实行社会统筹。用人单位和劳动者必须依法参加社会保险，缴纳社会保险费。		

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5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	Non applicable
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0

Actual overtime hours	Max hours per day	2.0
	Max hours per week	18.0
	Max hours per month	82.0
Minimum legal wage	Min per hour	13.22
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2300.0
Actual minimum wage	Actual per hour	13.22
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	2300.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from the most recent paid month October 2024, 10 samples from February 2024 and 10 samples from December 2023..
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?

Not applicable

Indicate the breakdown of workforce per earnings

100% of workforce paid above legal minimum wage.

Are there any bonus schemes used?

Yes

Post allowance: RMB 1700 to 2000 per month

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: The factory had established a mechanism to provide sufficient remuneration that allows workers to meet a decent living standard. Per management interview, they showed good understanding about living costs of the workforce in the region and identifying potential actions to fill the gap existing between the actual remuneration and the fair remuneration figure. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): 1.Management interview 2.Worker interview 3.Local and national laws 4.Wages and benefits policy 5.Payroll records of the previous 12 months 6.Hours records to check hourly rates and any overtime premiums		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. However, the factory did not implemented the management system strictly which caused some improvements were recommended.

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 ZAF600713527

Systems and evidence examined to validate this code section

Current systems:

1. Factory adopted finger scan system to record workers' working time.
2. Per factory management interview and employees' interview, basic working hours were 8 hours per day and 40 hours per week
3. Auditor reviewed the attendance records of 10 samples from the most recent paid month Oct 2024, and random month Dec 2023 and Feb 2024 respectively and found that the longest consecutive working days were 6 days. The maximum overtime hours per day were 2 hours; and the maximum total working hours per week was 58 hours, the maximum overtime hours per month were 82 hours.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Employee interview
- Management interview
- local and national laws
- factory policy on working hours
- Attendance records
- sample pay slips with recorded hours all workers interviewed
- workers' contracts
- 12 months' hours records to establish highest and lowest hours over all employees
- Quality and production records to cross check hours

Findings: non-compliances

ZAF600713527	Non-compliance	Due 2025-01-26
Code area 6 Working hours are not excessive	Status Open*	
Workplace requirement 6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.	Time given to resolve 60 days	
Issue title 480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)	Verification method Follow up audit	
Description It was noted that 30 sampled employees worked in excess of the statutory overtime hour limits. A review of 30 sampled employees' time records (10 samples from the most recent paid month Oct 2024, and random month Feb 2024 and Dec 2023 respectively) yielded the following: 1)10 out of 10 sampled employees worked in excess of 36 overtime hours per month (i.e. 70 to 72 hours) in Oct 2024; 2) 10 out of 10 sampled employees worked in excess of 36 overtime hours per month (i.e. 42 hours) in Feb 2024; 3) 10 out of 10 sampled employees worked in excess of 36 overtime hours per month (i.e. 82 hours) in Dec 2023. 根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工资记录中抽取30个样本(其中从最近工资发放月份2024年10月，以及随机月份2024年02月和2023年12月各抽取10个)，发现共有30名员工加班时间超出了法定标准，具体为： •10/10名员工在2024年10月的加班时间为70-72小时，超过每月加班时间不能超过36小时的法律规定； •10/10名员工在2024年02月的加班时间为42小时，超过每月加班时间不能超过36小时的法律规定； •10/10名员工在2023年12月的加班时间为82小时，超过每月加班时间不能超过36小时的法律规定。 Corrective and preventative actions It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议工厂确保员工的加班时间符合法律要求。 Local law reference In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。	Area of non-compliance/non-conformance Local law Base code	
Evidence		

[attendance record.JPG](#)

* PDF generated at 07:01 (UTC) on 27 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Data points

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

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: No discrimination was noted regarding hiring, job assignment, wages, bonus, allowance, promotion, discipline, work assignment, gender, age and nationality. All sampled employees interviewed stated that they were treated fairly and compensated the same wage for the same job. Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work. There was no evidence of sexual harassment. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. The hiring and termination procedure, leave application records and employee handbook. 2. Payrolls 3. Attendance records 4. Termination records 5. Training records		

7. No discrimination is practiced

Data points

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

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

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

Three most common nationalities in managerial and supervisory roles

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditors. No subcontractors were used and all employees had labour contract. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. The hiring and termination practices 2. Personal files 3. Payroll records were provided for review.		

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
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Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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8.A. Sub-contracting and homeworkers are used responsibly

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: Per onsite observation, the production processes in the factory were complete, which was also verified through production processes overview granted by the factory. Auditor also checked with material in-and-out records and compared the component observed on site; no subcontracting was found. Management confirmed that they would not use any subcontractor unless agreed by their client. Per onsite observation, interview result and document review, no homeworking activity was found. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. Site tour (Calculation on total production and estimated capacity) 2. Materials in/out records 3. Management interview 4. Worker interview		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
No homeworker

Sub-contracting

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

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: According to the documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination of employment; and the factory had developed a training program for all the employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure. As per management interview, document review and workers interview, there was a policy on Harsh Treatment. There is an internal process for grievance, where workers can report any grievances (harassment, bullying, discrimination etc.); any received complaint will be handled by management, without any reprisal for the worker in question. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. The relevant policy on prevention of harassment and abuse 2. Internal grievance procedure documentation. 3. Training records		

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
What type of grievance mechanism(s) are available?	Suggestion box and open-door policy
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Per document review, the factory had set up necessary policy, and factory also assigned eligible person to take charge. During the crosscheck, sufficient monitoring records were maintained. Thus, it's graded as Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: The factory management maintained all legally required environmental documents in place which proved that the production of the factory was in compliance with the related environmental regulations. Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Details: 1. Factory tour 2. Environmental permits review 3. Worker interview 4. Management interview		

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	No environmental or energy management certificates found.
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

Attachments



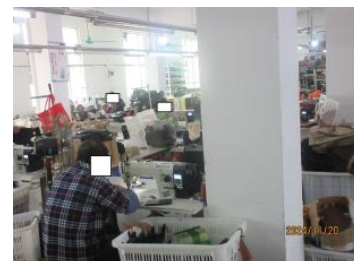
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