SMETA
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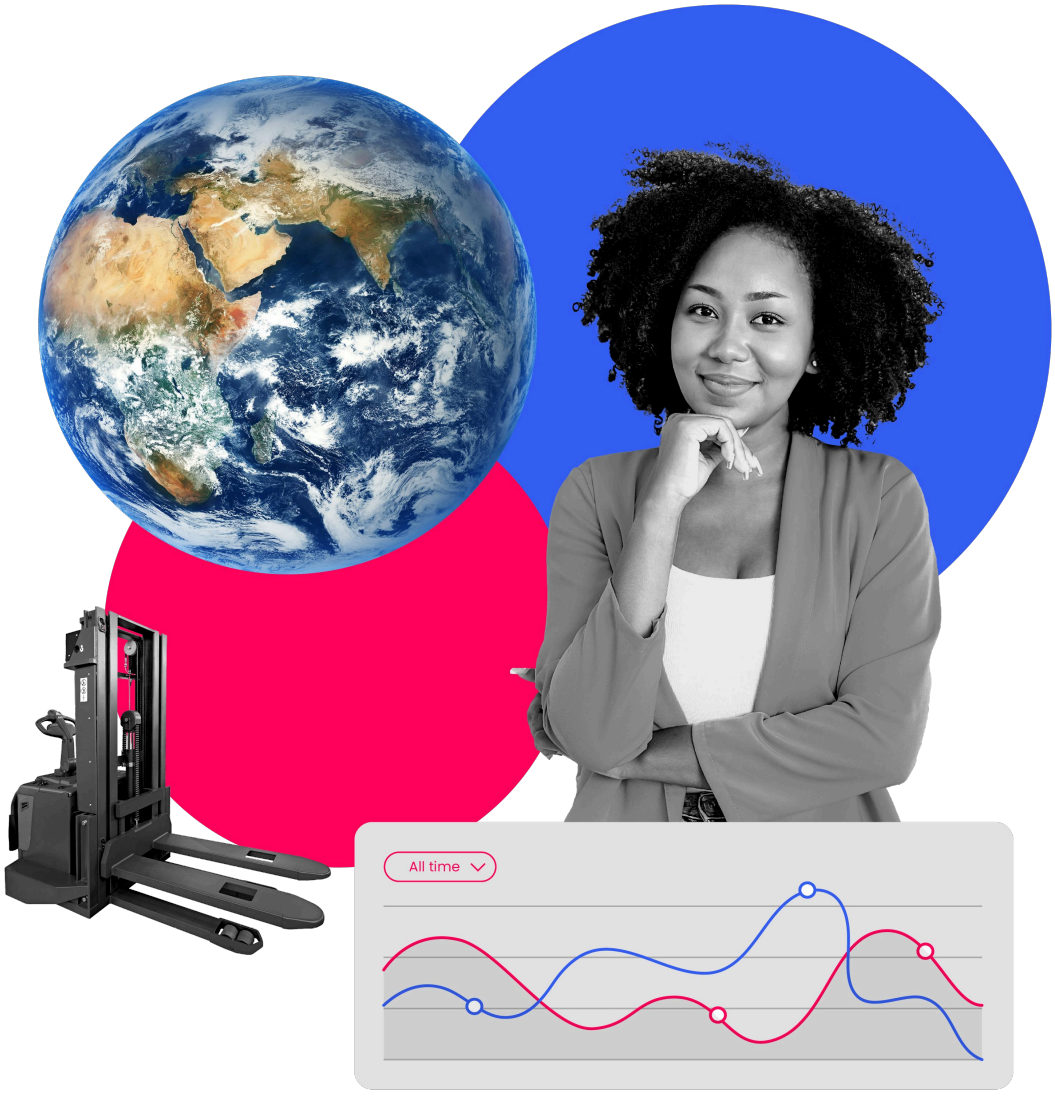
Sedex Members Ethical Trade Audit Report

Version 7



Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

Audit content

Audit details

SMETA declaration

Summary of findings

Management systems

Site details and data points

- Site details
- Worker analysis
- Worker interviews
- Measure workplace impact
- 0. Enabling accurate assessment
- 1. Employment is freely chosen
- 1.A. Responsible recruitment and entitlement to work
- 2. Freedom of association and right to collective bargaining are respected
- 3. Working conditions are safe and hygienic
- 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

10.A. Environment 2-Pillar

10.B. Environment 4-Pillar

10.C. Business ethics

Attachments

Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

2-pillar audits include:

- Labour standards:
  - 0. Enabling accurate assessment
  - 1. Employment is freely chosen
  - 1.A. Responsible recruitment and entitlement to work
  - 2. Freedom of association and right to collective bargaining are respected
  - 4. Child labour shall not be used
  - 5. Legal wages are paid
  - 5.A. Living wages are paid
  - 6. Working hours are not excessive
  - 7. No discrimination is practiced
  - 8. Regular employment is provided
  - 8.A. Sub-contracting and homeworkers are used responsibly
  - 9. No harsh or inhumane treatment is allowed
- Health and safety:
  - 3. Working conditions are safe and hygienic
- Environment:
  - 10.A. Environment 2-pillar

4-pillar audits include, in addition to the above:

- Environment:
  - 10.B. Environment 4-pillar
- Business ethics:
  - 10.C. Business ethics

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

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

← Contents

Findings →

Audit details

Site details

Sedex site reference	ZS1000110934	**Site name**	Fuzhou Lingyue Co Ltd
Business name	Fuzhou Lingyue Co Ltd	**Site address**	Floor 1-5,No1 Building, No. 73-1, Qilu South Avenue,Nanyu Town, Minhou County,Fuzhou City, Fujian Province, China 中国福建省闽侯县南屿镇旗麓南大道73-1号1号楼1-5层 Fuzhou City CN 350000

Audit details

Sedex company reference	ZC5000093280	**Auditor company name**	Extensive Standard Technical Services Co Ltd
Audit company address	Room 1201, 12/F, Tai Sang Bank Building, 130-132 Des Voeux Road, Central, Hong Kong, Hongkong, CN, 999077		
Date of audit	2026-07-06	**Audit conducted by**	Edward Yan
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

Day 1		Day 2	
In	09:30	In	09:30
Out	18:30	Out	14:30

← Contents

Findings →

Audit type	Full initial
Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Ms. Gao Haiying / 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 trade union on site.		
Reason for absence during the audit	There was no trade union on site.		
Reason for absence at the closing meeting	There was no trade union on site.		

← Contents

Findings →

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 July 1, 2026 to July 28, 2026.		
Lead auditor	Edward Yan	**APSCA Number**	21703354
Additional auditor			
Date of declaration	2026-07-07		

← Contents

Findings →

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. Gao Haiying
Title	Manager
Date of declaration	2026-07-07

← Contents

Findings →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.F Have a system in place to measure the eff...	Base code	NC ZAF601511442
	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601511444
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601511443
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601511445
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601511446
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601511447

← Contents

Management systems →

Management systems

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

✕ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← Summary of findings

Site details →

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

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← Summary of findings

Site details →

Site details

Company and site details

Sedex company reference	ZC5000093280	
Sedex site reference	ZS1000110934	
Company name	Fuzhou Lingyue Co Ltd	
Business ownership type	GOODS	
Site name	Fuzhou Lingyue Co Ltd	
Site name in local language	福州岭跃服装科技有限公司	
GPS location	**GPS address**	Floor 1-5,No1 Building, No. 73-1, Qilu South Avenue,Nanyu Town, Minhou County,Fuzhou City, Fujian Province, China
	Coordinates	Latitude: 26.01 Longitude: 119.23
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Ms. Gao Haiying
	Job title	Manager
	Phone number	15700075295
	Email	terry@tecleanco.com

← Management systems

Worker analysis →

Company and site details

Applicable business and other legally required business license numbers and documents	1. Business license number: 91350104MA8T68838L, Period of validity: May 11, 2021 to long term. 2. Fire protection acceptance:榕高新建消备凭[2024]第011号. issued on February 6, 2024 3. Building structure acceptance check certificate issued on October 16, 2023 4. Fixed pollution Source Pollutant discharge registration receipt: 91350104MA8T68838L001W; Period of validity: August 11, 2025, to August 10, 2026.

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	Products: Garment Activities: Cutting, Sewing, Inspection, Packing	
Process overview	Main products: Garment Main activities: Cutting, Sewing, Inspection, Packing There were 3 production lines. The main equipment: Cutting machine, Sewing machine, 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?	5393m²

← Site details

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2023
	If building is shared, provide details	NA
	Number of floors	5
	Description of floor activities	1F: Raw Material Warehouse, Cutting 2F: Office,Research and Development Department 3F: Sewing 4F: Inspection and Packing 5F: Finished Good Warehouse
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided No transportation was provided to workers by the factory. And there was no requirement by local law.

← Site details

Worker analysis →

Work patterns

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

Is there any night shift work at the site?	No

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	No N/A. Not mandatory.
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No N/A. Not mandatory.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	19 *(24.1%)*	60 *(75.9%)*	- -	79 *(100%)*

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	19 *(24.1%)*	60 *(75.9%)*	- -	79 *(100%)*
Temporary or fixed term employees	0 -	0 -	- -	0 *(0%)*
Agency or subcontracted workers	0 -	0 -	- -	0 *(0%)*
Seasonal workers	0 -	0 -	- -	0 *(0%)*
Self-employed workers	0 -	0 -	- -	0 *(0%)*
Informal workers including home workers	0 -	0 -	- -	0 *(0%)*
Apprentices, trainees or interns	0 -	0 -	- -	0 *(0%)*

* % of total workforce

← Site details

Worker interviews →

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	11 *(19.6%)*	45 *(80.4%)*	- -	56 *(70.9%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	11 *(19.6%)*	45 *(80.4%)*	- -	56 *(70.9%)*

* % of total workforce

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

Workers by age

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

* % of total workforce

← Worker analysis

Worker interviews →

Is the worker analysis data relevant for peak season and current to the audit?	No
Describe how this may vary during peak periods	N/A. No peak season was available.
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	24%	76%	-	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	10 *(14.5%)*	59 *(85.5%)*	- -	69 *(87.3%)*
Workers paid hourly / daily rate	9 *(90%)*	1 *(10%)*	- -	10 *(12.7%)*
Salaried workers	0 -	0 -	- -	0 *(0%)*

* % of total workforce

← Worker analysis

Worker interviews →

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 *(0%)*
Paid weekly	0 -	0 -	- -	0 *(0%)*
Paid monthly	19 *(24.1%)*	60 *(75.9%)*	- -	79 *(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	1 *(33.3%)*	2 *(66.7%)*	- -	3
Supervisors or team leaders	4 *(57.1%)*	3 *(42.9%)*	- -	7
Administrative staff	2 *(22.2%)*	7 *(77.8%)*	- -	9

← Worker analysis

Worker interviews →

Worker interview summary

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?	
Was the interview sample representative of all types of nationality and employment types of workers?	Yes
Was the interview sample representative of the gender composition of the workforce?	Yes
Number and size of group interviews	1 group including 5 workers.
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes

← Worker analysis

Measuring workplace impact →

Was there any indication that workers had been 'coached' in how they should respond to questions?	No
What was the general attitude of the workers towards their workplace?	Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) N/A. No worker complained anything during the interview.
What did the workers like the most about working at this site?	Communication (e.g. from management) Equal opportunities Freedom of movement

← Worker analysis

Measuring workplace impact →

Attitude of workers

Additional comments	The factory agreed that ESTS auditors conducted confidential interviews with workers who are chosen freely without any influence by the factory management; 10 workers were randomly selected from different workshops for interviews; The workers interviews were conducted at an independent room that is located at the workshop. The workers showed a cooperative attitude during the interview process. Based on the workers interview, workers expressed their positive attitude to management and workplace. All workers said that they were satisfied with working conditions and the wage in the factory. The information of interviewed workers as follows: 1. For child labour issues, all workers interviewed said that the factory checked their ID cards to verify their ages and kept their ID copies during recruitment. No child labour was identified during the audit. 2. For forced labour issues, they said they were not required the “deposit” or deposited their personal ID cards; the employees could resign at their option and should notice the factory in advance in as per local law requirement. All interviewees said they can leave factory freely after work-off during the lunch break and dinner break. 3. For discrimination issues, they said they could obtain the job based on their working experiences and abilities, the female worker or male workers’ wages were calculated at the same rate if they engaged for the same work. All interviewees confirmed that no discrimination occurred in the factory. 4. For discipline practice issues, the interviewees said they would be warned if they broke the factory rules. 5. For safety and health issues, the workers were satisfied with the working conditions and the factory regularly provided safety training to workers. Fire drills were conducted periodically twice a year, the last fire drill which included the evacuation exercise and the use of the fire extinguishing facilities was conducted on March 10, 2026. 6. For working hour’s issues, all interviewed workers said they normally worked 5 days per week and 8 hours per day. 7. For wages issues, all interviewees said that their wages were calculated on hourly rated or piece-rated wages. The wages were paid by bank transfer on 30th of next month. Paid annual leave and statutory holiday wage was available for them. 8. For freedom of association issue, the factory had no trade union, but all interviewees said they also selected 4 employee representatives by themselves. They confirmed that they could complain to their supervisors directly and employee’s representative, through suggestion box. 9. For Regular Employment issue, all interviewees said that the factory had signed contracts with them and kept the copies of employment contract

← Worker analysis

Measuring workplace impact →

Attitude of workers

Attitude of workers' committee/union representatives	There was no union present at the facility. The interview worker representative said she was satisfied with the employment at the factory and she was satisfied with pay on time. And she understand that she is the bridge between management and workers. Worker representative found no difficulty to raise any issue with management and management is responsive on all the issue raised by the workers.
Attitude of managers	The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private meeting room was arranged for worker interview. Moreover, the management promised to take corrective actions for non -compliances.

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

← Worker analysis

Measuring workplace impact →

Workers interviewed by group/individual

Workers interviewed in groups	1	4	-	5
Workers interviewed individually	1	4	-	5

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	6	-	8
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	2	6	-	8

← Worker interviews

Measuring workplace impact →

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	4.0%	-	5.0%
Last full calendar year (2025)	2.0%	4.0%	-	6.0%
Previous full calendar year (2024)	1.0%	4.0%	-	5.0%

* 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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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

Are accidents recorded?	Yes Accident records were kept in files, but no accident had occurred based on the accident records review and employee interview.

← Worker interviews

Code area 0 →

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	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 (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%

← Worker interviews

Code area 0 →

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

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

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

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2025)	0.0%	0.0%	-	0.0%
Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

← Measuring workplace impact

Code area 0 →

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner, all necessary areas were allowed access for tour, and a private meeting room was arranged for worker interviews. In general, the factory was very happy to cooperate with this audit. 2. The factory agreed that the auditors took photos and copied relevant documents or recorded them in the factory. The factory agreed that the auditors conducted confidential interviews with employees who were chosen freely without any influence by the factory. Nor did the factory intimidate or lure auditor. 3. On the day of the audit, the factory operated normally. The number of workers and business processes in the factory were consistent with the information previously reported. 4. There was a policy statement that expresses commitment to respect human rights. And the policy was approved at the most senior level. 5. The auditors conducted the audit through employee interview, management interview, document review, site tour, etc. Evidence examined: 1. The document includes: Social responsibility policy and procedure, Management system, Certificates and licenses, Training records, Payroll and attendance records, Production records, etc. 2. Management and workers' interview 3. Factory tour

← Measuring workplace impact

Code area 1 →

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 any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	No

← Code area 0

Code area 1 →

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Some Improvements Recommended
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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	Robust Management Systems

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	1.Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly prohibited the use of forced, bonded, and prison labor. This policy served as a guiding principle for all employment practices within the factory, ensuring that all employment was voluntary and free from coercion. However, gaps in policies and procedures observed which reduced the likelihood of sustainable compliance over time. For example, the factory's recruitment and decruitment procedures did not clearly specify whether workers need to pay fees when they leave, and whether they can get their due wages in a timely certain manner. Therefore, the area grade was Some Improvements Recommended. 2. Resources: The factory appointed Ms. Gao Haiying / Manager to be responsible for the implementation of the procedures. The individual had sufficient authority to ensure that procedures were carried out. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing. For example, there were no qualification requirements and job descriptions in the factory documentation for the personnel responsible for recruitment. Therefore, the area grade was Some Improvements Recommended. 3.Communication & Training: The facility provided training and communication on labor policies and employee rights about the prohibition against forced, bonded, and prison labor on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory did not withhold employees' ID cards. The factory did not require employees to make any payments for work-related resources such as tools, uniforms, personal protective equipment (PPE), or training. No hint of forced, bonded, and prison labor was observed during the audit. The factory had adopted an ongoing monitoring procedure to the implementation of its policies, corrective action plan and prevention action plan were included in the procedure. Regular internal checks were conducted and recorded, through reviewing the check records, the factory conducted adequate monitoring in ensuring employment is freely chosen. Therefore, the area grade was Robust Management Systems.

← Code area 0

Code area 1.A →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The factory rules and policies showed that employees could be freely resigned after communication with management 30 days in advance. No deposit would be required. 2. No force bonded or involuntary prison labour was observed during the date of audit. 3. The employees obtained their job by themselves or by friend's recommendation. 4. They did not pay any fees or their Identity papers to the factory at the beginning of employment. Evidence examined: 1. Factory Policy and Procedure 2. Personnel files 3. Resignation records 4. Employee handbook 5. Management and workers' interview 6. Factory tour

← Code area 0

Code area 1.A →

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

← Code area 1

Code area 1.A →

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	Robust Management Systems

← Code area 1

Code area 2 →

Management systems

Explanation for management systems grades	1.Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding Responsible recruitment and entitlement to work. This policy stipulated that the facility only employed individuals who possessed the legal right to work, ensuring compliance with local labor laws and regulations and ensured the workers did not pay for recruitment fees or related costs during being recruited or working. However, oversights in policies and procedures had not led to an NC but were likely to do so in the future. For example, provisions to ensure that the recruitment process comply with fair and ethical principles were not clearly defined in the details of management procedures and policies. Therefore, the area grade was Some Improvements Recommended. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementing the procedure of free recruitment and entitlement to work who had the necessary skills and seniority to manage this issue. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing. For example, there were no written job descriptions and job requirements of responsible for human resources management in the factory procedure documents. Therefore, the area grade was Some Improvements Recommended. 3.Communication & Training: The facility provided training and communication on entitlement to work to all relevant workers and immigration policies, and recruitment practices on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory monitored the effectiveness of Responsible recruitment and entitlement to work procedures through internal audit on December 26, 2025, and management review on January 20, 2026, and the facility had taken corrective actions as needed. Responsibilities for monitoring and targets or key performance indicators were defined and utilized. Regular review on Responsible recruitment and entitlement to work was conducted and recorded, overall performance was reported to the relevant senior management. Therefore, the area grade was Robust Management Systems.

Summary of findings

← Code area 1

Code area 2 →

Code area	Workplace requirement	Area of NC	Finding
	No findings		

Systems and evidence examined to validate this code section	Current systems: 1.Per documents review, factory management representation and worker interview, all workers in the factory were Chinese, there were 56 migrant workers from other locations out of Fujian Province. The youngest was 28 years old. 2. All workers had the proper legal rights to work. 3.All of them were recruited directly by the factory. 4.No foreign worker was used by the factory. 5.Based on document review, workers and management interview, there was one program document to ensure the workers did not pay for recruitment fees or related costs during being recruited or working. The factory will pay for them if workers incur fees or costs. It was confirmed by the interviewed workers and management. Evidence examined: 1. Labour contract 2. Personnel files 3. Hiring procedure 4. Worker handbook 5. Management and workers' interview

← Code area 1

Code area 2 →

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No

← Code area 1.A

Code area 2 →

Percentage of workers that are migrant	71%
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	Jiangxi Province, Sichuan Province, Hunan Province, etc.

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid?	No - all new workers were recruited locally by the site
Select 1 to 3 sending countries/regions of new workers. Record fees and costs in the following tables.	China

New workers totals

	China
Number of workers	14

Recruitment fees

	China
Payments made in exchange for work	-
Recruitment services which are not optional	-

← Code area 1.A

Code area 2 →

Recruitment fees

Other or uncategorised	-

Related costs

	China
Medical costs	-
Insurance costs	-
Skills and qualification tests	-
Training and orientation	-
Equipment costs	-
Travel costs	-
Accommodation costs	-
Administrative costs	-
Other or uncategorised	-

Illegitimate costs

	China
Payments made to illegitimate actors involved in the recruitment process	-

← Code area 1.A

Code area 2 →

Illegitimate costs

Payments made to illegitimate actors during the course of employment	-
Other or uncategorised	-

Was any worker in this group in debt as a result of these costs?

	China
Yes - to a recruiter	-
Yes - to the audited site	-
Yes - to a third party	-
No - could not verify	✓

Highest total costs incurred

	China
Currency	CNY
Highest total costs incurred	0.0
Additional comments	Based on worker and management interview, employees were recruited directly by the factory, and employees did not have to pay any recruitment related fees or costs.

← Code area 1.A

Code area 2 →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades	1.Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding freedom of association and collective bargaining. The procedure stated that the employees were free to form or join workers' organization and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of the workers' organization, etc. Therefore, the area grade was Robust Management Systems. 2. Resources: The company appointed Ms. Gao Haiying / Manager to be responsible for implementation of the procedure of freedom of association and collective bargaining, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on its policies and practices pertaining to freedom of association and the right to collective bargaining of all relevant workers on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. All workers were aware of the worker representative, its function and who their representatives are. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory had adopted an ongoing monitoring procedure on Freedom of Association and right to collective bargaining are respected. The facility provided multiple channels for employees to freely communicate issues related to working conditions, wages and benefits, freedom of association etc. to management and Worker Committee or worker representatives, as well as suggestion box where employees could submit their documented issues anonymously. There was no trade union on site, but 4 workers' representatives elected by employees freely were assigned to collect employees' concerns and suggestions. Regular meetings between workers' representative and top management were conducted to discuss the concerns and suggestions from employees. Therefore, the area grade was Robust Management Systems.

Summary of findings

← Code area 1.A

Code area 3 →

Code area	Workplace requirement	Area of NC	Finding
	No findings		

Systems and evidence examined to validate this code section	Current systems: 1. The factory has established Worker Committee Management Procedure Management Procedure. It was identified that employee representatives should be elected by employees freely. 2. The procedure and meeting records showed that the committee communicated with factory management every three months. And relevant records were kept by the factory. 3. All interviewees confirmed that they could raise their complaints to the workers' representatives and suggestion box. 4. The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China. 5. Based on site tour, document review, management and workers' interview, there was no trade union on site. And 4 workers' representatives were elected by employees freely. Evidence examined: 1. Complaint & handling record 2. Freedom of Association Policy 3. Meeting minutes of the workers committee meeting 4. Selection program and records 5. Management and workers' interview 6. Factory tour

← Code area 1.A

Code area 3 →

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 there alternative worker representative bodies in place?	Yes, worker committee
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

← Code area 2

Code area 3 →

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

← Code area 2

Code area 3 →

3. Working conditions are safe and hygienic

Management systems

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

← Code area 2

Code area 4 →

Management systems

Explanation for management systems grades	1.Policies & Procedures: The factory has declared an EHS procedure and policy supported at the highest level that explicitly regarding outlined the commitment to maintaining a safe and healthy work environment for all employees and detailed the processes and procedures to be followed to ensure compliance with the requirements of the code area. However, a gap in policies and procedures had led to 3 NCs. For example, procedures for measuring the effectiveness of health and safety training, procedures for checking and keeping the gap between product stacks and the wall, the gap between product stacks, procedures for checking and installing the needle guards for sewing machines, which were lacking in necessary instructions. Therefore, the area grade was Some Improvements Recommended. 2. Resources: The factory appointed Ms. Gao Haiying / Manager to be responsible for implementation of the Health and Safety Policy and Manual. This individual has sufficient authority to ensure that procedures are carried out, and the EHS management team members have been trained by external agencies. The Quality Manager arranged an EHS meeting once per quarter with the presence of the Health and Safety Committee and supervisors of each department to address HS concerns and provide updates. However, 3 NC were found in this section due to the responsibility of monitoring safety training monitoring management was not clear by managers. Such as the manager did not measure the effectiveness of health and safety training, the manager did not check and keep the gap between product stacks and the wall, the gap between product stacks, the manager did not check and install the needle guards for sewing machines. Therefore, the area grade was Some Improvements Recommended. 3. Communication & Training: There was a comprehensive training programs on health and safety. The factory provided refreshing training related to health and safety, such as fire safety, machine safety, chemical safety and etc. to all workers, supervisors and managers regularly to keep all related employees informed and engaged on May 15, 2026. Fire drills covered all employees; all shifts and all areas were conducted twice per year to ensure preparedness in case of an emergency. Regular meetings were held between the H&S committee (workers) and the Health and Safety Officer, with minutes of meetings showing that each point discussed was acted upon. However, oversights into how the training and communication program is managed led to 3 NC. The frequency of safety training was relatively low. Warehouse Storage safety training, machine safety training and other safety training effects had not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: Designated staff monitored the health and safety issues and carried out health and

← Code area 2

Code area 4 →

Management systems

safety inspections periodically. The factory conducted the risk assessment regularly to consider the prevailing knowledge of the industry and of any specific hazards. The factory took adequate steps to prevent accidents and injuries. There was a safe and hygienic working environment in the facility. The factory maintained a comfortable temperature throughout the work floor. Potable water was freely available in all areas. Through the facility tour, the fire safety conditions were generally acceptable. All emergency exits were unlocked and easy to open outward. There were sufficient and open means of escape. Required fire safety equipment was provided and functional. However, failure in monitoring systems in safety training and on-site safety management led to systemic NCs: The safety training effects had not been measured and confirmed. The gap between product stacks and the wall, the gap between product stacks did not meet legal requirements. 5% of sewing machines were not equipped with needle guard. Therefore, the area grade was Fundamental Improvements Required.

Risk:
The management of this audited factory had awareness of safety and health management, but the implementation details still needed to be improved, the safety training effects had not been measured and confirmed. The gap between product stacks and the wall, the gap between product stacks did not meet legal requirements. 5% of sewing machines were not equipped with needle guard. At the same time, there were some risks inherent at the site. Such as electrical and fire safety, occupational hazards, hazardous substances were used, etc.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.F Have a system in place to measure the eff...	Base code	NC ZAF601511442
	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601511444
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF601511443

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	Current systems: 1. The factory established a health and safety policy, and a health and safety committee was established in the factory. 2. Ms. Gao Haiying/ Manager was the representative of health and safety systems. 3. Check records of firefighting equipment were available on site; it was identified that all firefighting equipment was checked monthly. 4. Fire drill records with photos showed that the factory conducted fire drills in the factory. The latest fire drill was conducted on March 10, 2026. 5. There was one electrician in the factory. The certificate was provided by the factory for review during the audit. 6. Accident records were kept and provided for review. It was identified that no significant accident occurred in the factory. For any accident, the factory conducted root cause analysis / corrective actions / preventive actions. 7. The factory provided the fire safety certificate and structure safety certificate of factory building for review. 8. There were at least two exits on each floor in the factory. 9. Adequate toilet was provided in the factory. 10. Firefighting facilities were equipped in the factory. 11. PPE warning sign was posted in place. 12. Adequate first aid kits were equipped in place. 13. Based on observation on site, the lighting was acceptable at each workshop. 14. Based on site observation, potable water was provided for workers at each workshop. Based on workers interviews, they could access the potable water freely during working time. 15. Based on factory observation, the factory buildings were safe and secure. Evidence examined: 1. Health and safety policy 2. Training records and certificates 3. Fire equipment maintenance records 4. Fire drill records 5. Building structure safety certificates 6. Accident records 7. Management and worker interview 8. Factory tour

← Code area 2

Code area 4 →

Findings: non-compliances

ZAF601511442

Non-compliance Due 2026-09-08

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.F Have a system in place to measure the effectiveness of health and safety training carried out. Ensure training content is understood/implemented by workers.

Issue title

848 - There is no system to measure the effectiveness of health and safety training or there are systemic failures

Description

Based on document review, worker and management interview, it was noted that there was no system to measure the effectiveness of health and safety training, and no measure records for the trainings within the last 12 months.

根据文件查阅、管理层和员工访谈，工厂没有健康安全培训效果的评估体系，也没有近12个月内的培训的评估记录。

Intended corrective and preventative actions, based on root cause analysis

It was recommended that management should adopt practices and controls to ensure that establish the system to measure the effectiveness of health and safety training, and measure the effectiveness of related training.

建议管理层应采取管控措施确保建立健康安全培训效果的评估体系，并对相关的培训进行效果评估。

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 13:23 (UTC) on 10 Jul 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601511444

Non-compliance Due 2026-08-09

Code area

3 Working conditions are safe and hygienic

Status

Open*

← Code area 3

Code area 4 →

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

Based on site observation, it was noted that about 5% of sewing machines were not equipped with needle guards in the sewing workshop on the 3rd floor of factory building 1.

根据现场观察，1号厂房3楼的缝纫车间，5%的针车没有安装护针装置。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should ensure that all machines are equipped with proper guards.

建议工厂应确保所有的设备正确安装保护装置。

Local law reference

General Rules for Designing the Production Facilities (GB5083-1999), Article 6.1.2 Set necessary safety devices to the movable spare parts may be touched during the operation.

Evidence



No Needle Guard.jpg

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 13:23 (UTC) on 10 Jul 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601511443

Non-compliance

Due 2026-09-08

Code area

3 Working conditions are safe and hygienic

Status

Open*

← Code area 3

Code area 4 →

Workplace requirement

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

Issue title

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

Description

Based onsite observation, it was found that about 10% of the factory's raw materials stored on raw material warehouse on the 1st floor of factory building 1. were stacked against the wall, and the space of the stacks was less than 1 meter, which did not meet the regulatory requirements.

通过现场观察发现，该工厂1号建筑1楼原料仓库中储存的原料约有10%是靠墙堆放的，且堆垛间距小于1米，不符合监管要求。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory ensure that the goods are at least 0.5 meters away from the wall and the space should be at least 1 meter between stacks as required by law.

建议工厂确保所有货物与墙壁之间至少保持 0.5 米的距离，且堆垛之间应至少间隔 1 米，以符合法律规定。

Local law reference

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

Evidence

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 3

Code area 4 →



Raw Material Stacked agsinst Wall and The Space of The Stacks Was Less than 1 Meter.jpg

* PDF generated at 13:23 (UTC) on 10 Jul 2026. 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 used chemical in repairing machines and cleaning.
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 N/A. There was no structural addition.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

← Code area 3

Code area 4 →

Does the site have a structural engineer evaluation?	Yes

← Code area 3

Code area 4 →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 3

Code area 5 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding the age of all applicants should be verified before employment and applicants under the age of 16 would never be employed. A comprehensive age verification process was adopted, and verification documents of all employees were kept. There was no underage labor or juvenile in the factory, and the factory had established written juvenile employee protection procedure and child labor remediation procedure to demonstrate preparedness to address any potential issues of child labor and juvenile. Therefore, the area grade was Robust Management Systems. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the procedure of prohibition of using child labor who was aware of the responsibilities and had the necessary skills and seniority to manage this issue. There were emergency procedures for children and underage workers to take care of relevant matters. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on prohibition of prohibition of using child labor procedure June 8, 2026, including managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: A comprehensive age verification process was adopted, and verification documents of all employees were kept. Regular monitoring on the implementation of procedures was conducted by designated staff, which included inspecting the personnel files and the age documentation (ID card copies), verifying the hiring process to ensure no underage workers were employed. Overall performance was reported to the relevant senior management. Therefore, the area grade was Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 3

Code area 5 →

Systems and evidence examined to validate this code section	Current systems: 1. The factory had established policy and procedure on prohibiting child labour. 2. Based on recruiting instruction review, all applicants should write register sheets during recruitment, and all information identified in the register sheets should be verified. And HR staff should interview applicants and check ID cards to verify ages. 3. Checks of all workers' files showed that the factory kept valid and sufficient age information such as copies of ID card, education certificate or other documents with employment history. And personal files showed that no child labour and young workers were identified in the factory. 4. Based on observation on site and workers interview, no child labour and young worker was identified during the audit. Evidence examined: 1. Recruitment policies 2. Employees' personal files/ Employment registration/roster 3. Management and workers' interview 4. Factory tour

← Code area 3

Code area 5 →

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	28
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

← Code area 4

Code area 5 →

5. Legal wages are paid

Management systems

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

← Code area 4

Code area 5.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding a comprehensive wage & benefit policy along with controlling procedures. This policy outlined the minimum wage standards, overtime compensation rates, living wage and other employee benefits. The policy ensured that no monetary fines were used as disciplinary measures and prohibits any illegal deductions from employee wages. However, a gap in policies and procedures had led to or was likely to lead to NC. For example, procedures for monitoring insufficient social insurance and follow-up measures were lacking in necessary instructions. Therefore, the area grade was Some Improvements Recommended. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to the responsible for implementation who was aware of the responsibilities of carrying out a comprehensive wage & benefit policy along with controlling procedures. and had necessary skills and seniority to manage this issue, and there were also professional staff to take care of relevant matters. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing led to an NC. For example, the responsibility of educating employees on the importance of social insurance was not explicitly included for the responsibilities of managers. Therefore, the area grade was Some Improvements Recommended. 3. Communication & Training: The facility provided effective training and communication on wage & benefit policy and procedure on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. During the employee interview, most employees had a clear understanding of the wage & benefit policy, including the minimum wage standards, overtime compensation rates, and other legal benefits. However, oversights into how the training and communication program is managed led to systemic NC, for example insufficient training of the importance of social insurance was provided for workers. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: During this audit, wage and benefits were provided for all employees as per legal requirement. The factory monitored the implementation of procedures to ensure ongoing compliance. Regular review on the wage and benefits was conducted. Legal regulations were collected, and the site reviewed and updated these procedures regularly to ensure full compliance with legal requirements. However, failure in monitoring system had led to systemic NC: The factory did not carry out the monitoring system about compulsory insurance effectively. As a result, some employees were not covered with 5 categories of social insurance. Therefore, the area grade was considered Fundamental Improvements Required.

← Code area 4

Code area 5.A →

Management systems

Risk:
1. This audited factory did not well manage the risk, which some employees did not cover with 5 categories of social insurance.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601511445

← Code area 4

Code area 5.A →

Systems and evidence examined to validate this code section	Current systems: 1. The factory had established policy and procedure on wages and benefits, and it was legal and acceptable. 2. The factory kept and provided payroll from June 2025 to May 2026 for review during the audit. Employees were paid hourly rated or piece-rated wages, and the local minimum wage standard was set at RMB 2195 per month equivalent to RMB 12.61 (2195/21.75/8) per hour since April 1, 2025. Based on document review, workers and management interviews, the minimum wage was set at RMB 12.61 (2195/21.75/8) per hour. 3. Based on payrolls review, the overtime wages of workers were guaranteed. 4. The wages were paid by bank transfer on the 30th of next month. Workers did not work overtime on statutory holidays. 5. Based on factory rules review, if the factory rules were broken, relevant workers would be warned and trained. 6. Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for workers. 7. Based on workers and management interviews, the factory provided detailed pay slips to all workers when they received wages. 8. The factory had total 98 employees (Including 29 retired employees, 0 new employees recruited within 30 days, no temporary and dispatch employees), the factory should provide social insurance for 69 employees. By review of the social insurance payment receipt provided by factory management, it was noted that 62 out of 69 employees (Rate: 89.9%) were not covered with pension insurance, unemployment insurance and accident insurance, 63 out of 69 employees (Rate: 91.3%) were not covered with medical insurance and maternity insurance in June 2026. Remark: The factory provided commercial group life accident insurance for all employees, valid from February 5, 2026 to February 4, 2027. Evidence examined: 1. Attendance records: June 2025 to audit day 2. Payrolls records: June 2025 to May 2026 3. Leave records 4. Social insurance and payment receipts from the local labour department 5. Labour contracts for all employees (to examine agreed wage rates) 6. Resignation records 7. Workers' Pay slips 8. Management and workers' interview 9. Factory tour

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601511445

Non-compliance Due 2026-09-08

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 factory had total 98 employees (Including 29 retired employees, 0 new employees recruited within 30 days, no temporary and dispatch employees), the factory should provide social insurance for 69 employees. By review of the social insurance payment receipt provided by factory management, it was noted that 62 out of 69 employees (Rate: 89.9%) were not covered with pension insurance, unemployment insurance and accident insurance, 63 out of 69 employees (Rate: 91.3%) were not covered with medical insurance and maternity insurance in June 2026. Remark: The factory provided commercial group life accident insurance for all employees, valid from February 5, 2026 to February 4, 2027.

该工厂共有员工98人（包括29名退休员工，30天内未招聘新员工，无临时工和派遣工），应为69名员工缴纳社会保险。经审核工厂管理层提供的社保缴费凭证，2026年6月，69名员工中有62人（比例为89.9%）未参加养老保险、失业保险和工伤保险；有63人（比例为91.3%）未参加医疗保险和生育保险。备注：工厂已为全体员工提供商业团体意外伤害保险，保单有效期为2026年2月5日至2027年2月4日。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should provide 5 categories of social insurance for all workers required by law.

建议工厂依法为符合条件的员工提供五类社会保险。

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

← Code area 5

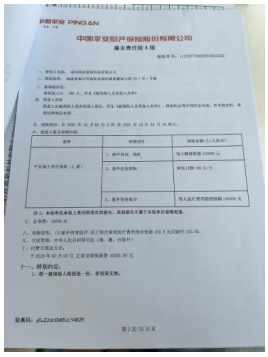
Code area 5.A →

Local law reference

Labor Law of the People's Republic of China, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3)Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth. After the death of a laborer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance money that laborers are entitled to must be paid on schedule and in full.

Evidence





Social Insurance Record.jpg

Commercial Insurance Contract.jpg

* PDF generated at 13:23 (UTC) on 10 Jul 2026. 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 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
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Fair Wage Network Typical Family Methodology

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?	Monthly
Is actual wage data available on site for any of these options?	Monthly

← Code area 5

Code area 5.A →

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	14.0
	Max hours per month	60.0
Minimum legal wage	**Min per hour**	12.61
	Min per day	100.92
	Min per week	Non applicable
	Min per month	2195.0
Actual minimum wage	**Actual per hour**	12.61
	Actual per day	100.92
	Actual per week	504.6
	Actual per month	2195.0

← Code area 5

Code area 5.A →

Minimum legal overtime wage	**Min per hour**	18.92
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	18.92
	Actual per day	0.0
	Actual per week	239.59
	Actual per month	1060.0

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from May 2026 (current month): RMB 4901-8162 10 samples from December 2025 (random month): RMB 6489-9442 10 samples from July 2025 (random month): RMB 5422-9359
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?	Meets legal minimum
Indicate the breakdown of workforce per earnings	88% of workforce earning met minimum wage. 12% of workforce earning above minimum wage.
Are there any bonus schemes used?	Yes attendance bonus, living allowance, meal and accommodation allowance

← Code area 5

Code area 5.A →

Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

← Code area 5

Code area 5.A →

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The factory had calculated the local living wage and analyzed the gap between the worker's wage and the living wage. 2. The factory actually paid workers meet the local minimum wage standards and provide them with overtime wage, benefits, etc. 3. There was a system that kept track of workers' cost of living wages. And the factory collected information about cost of living for all workers (in 2025 and 2026) and analyzed it. 4. Based on document review and management interview, the factory used Fair Wage Network Typical Family Methodology to analysis the local minimum living wage though the local price of commodity, educational cost, transport cost, housing cost, garment cost and daily cost, etc. It was noted that the local minimum living wage was RMB 1900-2100 per month on April 23, 2026. As a result, the minimum wage for 100% employees was higher than the local minimum living wage. 5. The factory put in place a wage improvement plan that aims to pay workers a living wage monthly. It was carried out since April 23, 2026, and covered 100% of employees. Evidence examined: 1. Payroll records and pay slips 2. Attendance records 3. Local legal minimum wage documents 4. Labor contracts 5. Wages and benefits policy, Living wage policy 6. Records of cost of living for workers 7. Workers and management interview

← Code area 5

Code area 6 →

6. Working hours are not excessive

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	Fundamental Improvements Required

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding a voluntary overtime policy, working time policy, and controlling procedure. However, a gap in policies and procedures had led to or was likely to lead to NC. For example, the management of the continuous rest time of workers in the procedure document was lacking in enforceable details. Therefore, the area grade was Some Improvements Recommended. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the voluntary overtime policy, working time policy and controlling procedure, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue and there were also professional staff to take care of relevant matters. However, the role(s) responsible for the Base Code Area was not assigned to their responsibility in writing led to an NC, for example, the manager did not properly schedule overtime. Therefore, the area grade was Some Improvements Recommended. 3. Communication & Training: The facility provided effective training and communication on the voluntary overtime policy, working time policy and controlling procedure on June 8, 2026. Orientation and refreshing training were conducted according to the procedure, which includes workers, managers and supervisors. However, oversights into how the training and communication program is managed led to an NC, for example The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. And it led to the monthly overtime hours exceeding 36 hours. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: Attendance records were maintained and reviewed regularly to ensure compliance with the working time policy. Through employee interview, factory tour and document review, it was noted that overtime was voluntary. Production-related records were cross-checked with the attendance records; no inconsistency was found. The factory maintained accurate and complete working hour records for review. The factory conducted internal audit and management review to monitor the working hours. However, failure in monitoring system had led to systemic NC: The factory did not carry out the monitoring system about the responsible use of overtime effectively. As a result, the attendance records showed that the maximum monthly overtime hours were 48 hours in May 2026, 60 hours in December 2025 and 56 hours in July 2025 respectively, the monthly overtime hours exceeded 36 hours as the labor law required. Therefore, the area grade was considered Fundamental Improvements Required.

← Code area 5.A

Code area 7 →

Management systems

	Risk: 1. The sampled workers' monthly overtime hours exceed the legal limit. But workers were working overtime voluntarily, and there was no risk for forced labor.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601511446
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601511447

Systems and evidence examined to validate this code section	Current systems: 1. The normal working hour system of 8 hours a day, 40 hours a week, was carried out in the factory. 2. The attendance records showed that workers worked overtime on Saturdays contingently and rested on Sundays fixed. 3. The factory kept and provided attendance records from June 2025 to the audit day for review during the audit. 4. The attendance records showed that the maximum daily working hours, weekly working hours and monthly overtime hours were 10 hours (including 2 hours' overtime working), 54 hours (including 14 hours' overtime working) and 60 hours respectively. 5. Based on review of attendance records, all workers enjoyed one day off per week. 6. Based on observation on site, the factory adopted fingerprint and facial attendance system to record employees' working hours. 7. Through workers' interview, overtime is voluntary. Evidence examined: 1. Factory policy 2. Working time records from June 2025 to the audit day 3. Workers' contracts 4. Quality records and production records to cross-check working hours 5. Management and worker interview 6. Factory tour.

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601511446

Non-compliance Due 2026-09-08

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

The factory provided workers attendance records from June 2025 to audit day for review. 10 workers were randomly selected to check their working hours in May 2026, July and December of 2025. Based on those records, 10 out of 10 sample workers worked overtime for 48 hours in May 2026 (current month), 10 out of 10 sample workers worked overtime for 60 hours in December 2025 (random month). 10 out of 10 sample workers worked overtime for 56 hours in July 2025 (random month). As a result, the monthly overtime hours exceeded 36 hours as the labor law required.

工厂提供了2025年6月至审计当天的工人出勤记录供审查。随机抽取了10名工人，核查其在2026年5月、2025年7月和12月的工作时长。根据这些记录，2026年5月（当前月）的10名抽样工人中有10名员工加班48小时；2025年12月（随机月份）的10名抽样工人中有10名员工加班60小时；2025年7月（随机月份）的10名抽样工人中有10名员工加班56小时。因此，月加班时长超过了劳动法规定的36小时上限。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should make sure the overtime hours of all workers are in accordance with legal requirements.

建议工厂确保工人的加班时间符合法规要求。

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

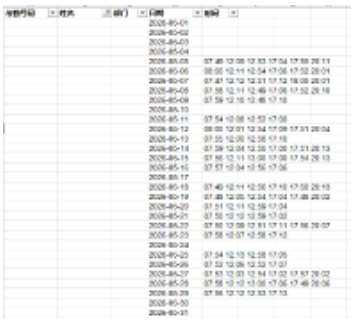
← Code area 5.A

Code area 7 →

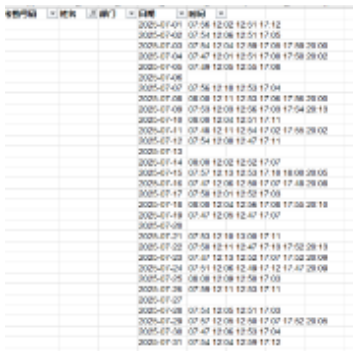
Local law reference

Labor Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

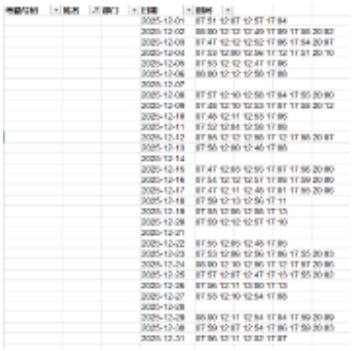
Evidence



Attendance Record-May 2026.png



Attendance Record-July 2025.png



Attendance Record-December 2025.png

* PDF generated at 13:23 (UTC) on 10 Jul 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601511447

Non-compliance

Due 2026-10-08

Code area

6 Working hours are not excessive

Status

Open*

← Code area 6

Code area 7 →

Workplace requirement

6.l Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.

Issue title

908 - There is a review conducted of working hours with the intention of responsibly managing overtime, but it is not adequate or does not lead to demonstrable corrective action

Description

Based on document review and management interview, it was noted that there was a procedure and a review conducted of controlling working hours on the factory, but the monthly overtime hours exceeded 36 hours as the labor law required and the review to manage overtime was not adequate.

通过文件审核和管理层面谈，工厂有工作时间控制的程序和审查，但月加班时间超过劳动法规定的36小时，加班管理审查不充分。

Intended corrective and preventative actions, based on root cause analysis

It was recommended that the management should have adequate review to ensure that overtime hours are in compliance.

建议管理层应进行充分审查，以确保加班时间符合规定。

Time given to resolve

90 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 13:23 (UTC) on 10 Jul 2026. View this finding on the Sedex platform for live updates and closure details.

← Code area 6

Code area 7 →

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?	Based on the provided attendance records and payroll records review, workers were paid 150% of normal wage rate for Weekday overtime; 200% of normal wage rate for Weekend overtime; No overtime on Statutory Holiday.
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?	51.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

← Code area 6

Code area 7 →

7. No discrimination is practiced

Management systems

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

← Code area 6

Code area 8 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory has declared a social responsibility procedure and policy supported at the highest level that explicitly regarding an anti-discrimination and equity policy and procedure, which outlining the commitment to fostering a work environment free from discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, workers' organization membership, or political affiliation and equity approach regarding recruitment, training, development and promotion processes. Therefore, the area grade was Robust Management Systems. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the anti-discrimination policy and procedure, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue. And there were also professional staff to take care of relevant matters. However, oversights into policies and procedures had not led to an NC but were likely to do so in the future. For example, fair and ethical principles were known by the manager, but he was not very familiar with it. Therefore, the area grade was Some Improvements Recommended. 3. Communication & Training: The facility provided training and communication on anti-discrimination and equity procedures on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory has implemented effective monitoring measures to ensure compliance with the equity and anti-discrimination policy. Interviewed employees confirmed that there was no evidence of sexual harassment or discrimination in hiring, compensation, access to training, promotion, termination, or retirement. Additionally, the facility has an internal grievance process, and all sample employees were aware of the grievance channels in case they encountered any discrimination cases. Therefore, the area grade was Robust Management Systems. Remark: Based on document review, workers and management interview, it was noted that the number of female employees was significantly higher than that of male employees. This was because there are relatively few male applicants, there was not potential risk of gender discrimination in the factory.

← Code area 6

Code area 8 →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 6

Code area 8 →

Systems and evidence examined to validate this code section	Current systems: 1. The factory has established and implemented a dedicated equity approach covering recruitment, training, development, and promotion processes. It was confirmed by management and workers interview that the equity approach applies to all workers, regardless of gender, ethnicity, age, disability, marital status, or other protected characteristics. For example, specific action in recruitment included job advertisements use gender-neutral language and focus on essential skills only; recruitment panels are required to be gender-balanced where feasible; Specific action in training included female workers and workers with family responsibilities are offered flexible training schedules; basic skills training is provided to workers with lower education levels; In development and promotion, mentorship programs are available for underrepresented groups, etc. 2. The factory had established policies and procedures prohibiting discrimination and made the action plan. No evidence of discrimination was found in factory policies, rules, procedures, and operation records. The management knew the requirement of non-discrimination. 3. According to management and workers' interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions; promotion was based on workers' ability and skill; training was based on working requirements. 4. There was no negative evidence of discrimination in employment, training, promotion, compensation, welfare, dismissal and retirement found. There was no evidence of sexual harassment. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work. 5. No employee was required to do the examination of hepatitis B virus and HIV. Female workers in this factory were not required to take pregnant tests before or during their employment. 6. There was an internal grievance process, all sample employees were aware of the grievance channels in case they encountered any discrimination cases. Evidence examined: 1. Factory policy/Employee handbook, Hiring and termination procedure 2. Leave application and termination records 3. Attendance and payroll records 4. Training records 5. Management and worker interview 6. Factory tour

← Code area 6

Code area 8 →

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)?	76%
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)	5%
Three most common nationalities in managerial and supervisory roles	Chinese

← Code area 7

Code area 8 →

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	Robust Management Systems

← Code area 7

Code area 8.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory. Responsibilities and processes to implement policies and procedures were clear. The factory has adopted a procedure of signing labor contracts with all employees, ensuring that the terms and conditions stated in the contracts comply with local laws. Therefore, the area grade was Robust Management Systems. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the procedure on regular employment, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue, and there were also professional staff to take care of relevant matters. However, the role(s) responsible for the Base Code Area was not assigned their responsibility in writing. For example, those responsible for labor contract management were not clearly assigned their responsibilities in writing. Therefore, the area grade was Some Improvements Recommended. 3. Communication & Training: The facility provided training and communication on the policies and procedures of regular employment on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory had ensured compliance with laws and policies by monitoring employment practices. The factory recruited all employees directly. Additionally, no apprenticeship scheme, or home employee were used by the factory. The factory ensured that all processes were finished within the factory, and no outsourcing of labor was observed. Regular review of employment practices was conducted, and overall performance was reported to the relevant senior management. Therefore, the area grade was Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

← Code area 7

Code area 8.A →

No findings

Systems and evidence examined to validate this code section	Current systems: 1. The factory has documented disciplinary rules and communicates to all workers. And the disciplinary rules were fair, reasonable and they met law requirements. 2. Work performed was based on recognized employment relationship established through national law and practice. 3. The factory signed labour contracts with workers within 30 days after employment. According to worker interview, they had the copies of labour contracts. 4. No homework was arranged; no apprenticeship scheme was practiced in this factory. Evidence examined: 1. Employee Manual 2. Hiring and termination procedure 3. Labour contract 4. Personnel files 5. Payroll records 6. Management and workers' interview 7. Factory tour

← Code area 7

Code area 8.A →

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%

← Code area 8

Code area 8.A →

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

Management systems

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

← Code area 8

Code area 9 →

Management systems

Explanation for management systems grades	1. Policies & Procedures: All processes were finished in the factory; the factory has established a clear policy stating that subcontracting will not be utilized unless it has been previously agreed upon with the main client. The factory had established written procedure indicating that they would never use home workers. Therefore, the area grade was Robust Management Systems. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the subcontracting management procedure, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue, and there were also professional staff to take care of relevant matters. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on the policies and procedure of subcontracting and home workers on June 8, 2026, including workers, managers and supervisors. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory had mechanisms in place to monitor its adherence to the policy on subcontracting and home workers. All processes were completed in the factory; no subcontractor or home worker was used by the factory, overall performance was reported to the relevant senior management. Therefore, the area grade was Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 8

Code area 9 →

Systems and evidence examined to validate this code section	Current systems: 1. The subcontractor control policy was established in the factory. 2. It was verified through document review, factory tour, management interview and workers interview that no home-working and sub-contracting was used by this factory. All processes are performed by employees directly employed by the factory. And no partially finished goods were in goods out/in. Evidence examined: 1. Factory policy 2. Factory tour (Calculation on total production and estimated capacity) 3. Materials in/out records 4. Management and workers' interview

← Code area 8

Code area 9 →

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 All suppliers had signed agreements not to use homeworkers. And the factory had assessed its suppliers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No There was not any concern. The production capacity of the factory could meet the normal production demand. Based on site tour, document review, worker and management interview, no subcontractor was found in the factory during the audit.

← Code area 8.A

Code area 9 →

Are any sub-contractors used?	No

← Code area 8.A

Code area 9 →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 8.A

Code area 10.A →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory had established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. The factory established a disciplinary procedure for employees' misbehavior. Therefore, the area grade was Robust Management Systems. 2. Resources: The factory assigned Ms. Gao Haiying / Manager to be responsible for implementation of the anti-harsh or inhumane treatment policy and disciplinary procedure, who was aware of the responsibilities and had the necessary skills and seniority to manage this issue, and there were also professional staff to take care of relevant matters. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on the anti-harsh or antihuman treatment policy and disciplinary procedure on June 8, 2026, including workers, managers and supervisors. The training content was updated according to need. Multiple channels of communication were provided for employees to ensure free communication with the person responsible. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory had adopted monitoring procedures to ensure compliance with the anti-harsh or anti-inhumane treatment. Through employee interviews, auditors confirmed that they were aware of the policy and disciplinary procedure, and no instances of harsh or inhumane treatment were noted during the audit. Regular review on No harsh or inhumane treatment is allowed was conducted, overall performance was reported to the relevant senior management. Therefore, the area grade was Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 8.A

Code area 10.A →

Systems and evidence examined to validate this code section	Current systems: 1. The factory management established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Confirmed by workers interview, they were aware of the disciplinary procedure. 2. The factory established a policy on Harsh Treatment. Confirmed by workers interview, there was no such negative evidence that happened in the past. 3. There was an internal process for grievance, which is an anonymous suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any complaint received will be handled by management, without any reprisal for the worker in question. Evidence examined: 1. The relevant policy on prevention of harassment and abuse 2. Internal grievance procedure documentation 3. Training records 4. Management and workers' interview 5. Factory tour

← Code area 8.A

Code area 10.A →

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?	There was an internal process for grievance, which was an anonymous suggestion box, 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.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

← Code area 9

Code area 10.A →

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	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 9

Code area 10.B →

Management systems

Explanation for management systems grades	1. Policies & Procedures: The factory had established a written environmental policy and procedure, which included a commitment of legal compliance, a commitment of continuous improvement of environmental standards and a clear framework for setting environmental compliance objectives and targets. All required environmental protection registration or permits were kept and provided for review, and the facility had adopted an adequate and effective management system. Therefore, the area grade was Robust Management Systems. 2.Resources: The factory appointed Ms. Gao Haiying/ Manager to be responsible for implementation of the environmental policy and environmental management system, who was aware of the responsibilities and had necessary skills and seniority to manage this issue and there were also professional staff to take care of relevant matters. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on environmental policies, environmental laws and regulations on May 15, 2026, including workers, managers and supervisors. The training content was updated according to need. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The factory had adopted an ongoing monitoring procedure in Environment. The facility had addressed their impact on the environment. Regular inspection of environmental factors was conducted and recorded; corrective actions were taken as needed. The factory has also adopted a system to update legal requirements / clients' environmental standards and address any gaps for improvement. Therefore, the area grade was Robust Management Systems.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 9

Code area 10.B →

Systems and evidence examined to validate this code section	Current systems: 1. The legally required certificates were available and valid during this audit. 2. Based on worker's interview, they were trained on environmental protection. 3. Environment emergency action procedures were provided for review. 4. The factory established environmental policy including environmental emergency action procedures, relevant procedures and carried out environment management system. 5. Waste was collected and segregated in place. 6. No negative evidence was identified on IPE website. 7. The factory had a system in place for identifying and remediating gaps between their clients' environmental standards and the environmental impact of their own operations. 8. Based on document review and management interview, the factory provided a list of hazardous substances (chemicals) used in manufacturing or in purchased components. And they were compliant with their clients' requirements and relevant legislation in the destination countries for those substances. Evidence examined: 1. All legally required certificates 2. Environmental policy and procedure 3. Emergency action procedures. 4. Wastes records 5. Management and workers' interview 6. Factory tour

← Code area 9

Code area 10.B →

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

← Code area 10.A

Code area 10.B →

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The factory identified and monitored potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations. 2. Policies communicated to all employees and processes well, which endorsed at the highest level, that includes commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders. 3. The factory established resource-use targets and a plan to reach them. 4. The factory had recorded energy use, water use, solid waste, material use, waste, and effluent discharge. 5. The factory monitored and mitigated the site's impact on biodiversity. Evidence examined: 1. All legally required environmental documents were provided for review 2. Environmental policy and training records 3. Resource-use targets and a plan 4. Energy bills, water bill, water discharge records. 5. Environment biodiversity impact report

← Code area 10.A

Code area 10.C →

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?	Biodiversity and eco system impact management Packaging optimization 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 had set up the system to manage client's requirements.
Does the site have reduction targets in place to manage climate related risks?	Yes, other climate-related target
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
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))?	Yes Water consumption and discharge: the site has set the target by 3% in 2025-2026. Reuse of reclaimed water system will be installed this year to save the water consumption and discharge. Energy: the site has set the target by 3% in 2025-2026. Photovoltaic plants will be installed gradually to save energy.
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

← Code area 10.B

Code area 10.C →

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	219,067.6	230,581.2
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Other (provide details) No renewable energy used	Other (provide details) No renewable energy used
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Nil	Nil
Has the site completed any carbon footprint analysis?	No	No
Water sources	local water authority	local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	1,213	1,359
Water discharged	Municipal sewer system	Municipal sewer system
Water volume discharged (m3)	970	1,087
Water volume recycled (m3)	0	0
Total waste produced (mt)	3.2	3.6

← Code area 10.B

Code area 10.C →

Total hazardous waste produced (mt)	1	1
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	2.2	2.6
Total product produced (mt)	19.2	20.1

← Code area 10.B

Code area 10.C →

10.C. Business ethics

Management systems

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

← Code area 10.B

Management systems

Explanation for management systems grades	1. Policies & Procedures: Policies and procedures on Business ethics were established and appropriate for the site context, anti-bribery & anti-corruption, complaints & reports, privacy protection, etc. These were clear, executable, and updated according to changing requirements or situations. These policies and procedures led to a sustainable compliance with the Workplace Requirements in this Base Code Area. Therefore, the area grade was Robust Management Systems. 2. Resources: The facility has assigned skilled managers to be responsible for the implementation of the procedures on Business ethics. The individual had sufficient authority to ensure that procedures were carried out. The scope and content of the relevant responsibilities were clear, and senior executives and department managers had the consciousness. Appropriate training has been provided for the relevant managers and candidates were available for the relevant responsibilities. Therefore, the area grade was Robust Management Systems. 3. Communication & Training: The facility provided training and communication on Business ethics policies, laws and regulations on December 17, 2026, including workers, managers and supervisors. And Training in Policies and procedures in Business ethics covered all personnel, including new workers. However, oversights into how the training and communication program is managed had not led to an NC but were likely to do so in the future. The frequency of relevant training was relatively low. And the relevant training effects have not been measured and confirmed. Therefore, the area grade was Some Improvements Recommended. 4. Monitoring: The facility effectively monitored the procedures and took actions when needed. In the implementation of business ethics, the facility had a positive action and achieved good results. Based on written procedure, internal audits and monitoring of key performance indicators were carried out annually. The facility had collected relevant laws and regulations and formulated policies on business ethics. Reporting channels, supervision and complaint methods have been trained for all workers. There was not any negative or adverse finding. Monitoring ensured sufficient management of the Workplace Requirements in this Base Code Area on an ongoing basis. Therefore, the area grade was Robust Management Systems.

Summary of findings

← Code area 10.B

Code area	Workplace requirement	Area of NC	Finding
	No findings		

Systems and evidence examined to validate this code section	Current systems: 1.The factory had established the Anti-bribery & Anti-corruption policy and procedure. 2.The factory had signed the Anti-bribery agreement with main suppliers and employees. 3.The factory had a transparent system in place for confidential reporting. 4. Ms. Gao Haiying / Manager was the designated person responsible for implementing standards concerning Business Ethics. 5.The factory provided Business Ethics training for all employees. Evidence examined: 1. Anti-bribery and anti-corruption policy and procedure. 2. Anti-bribery agreement signed between suppliers and factory. 3. Anti-bribery agreement signed between employees and factory. 4. Training records 5. Management and worker interview 6. Business license and permissions relating to ownership.

← Code area 10.B

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	Not applicable

← Code area 10.C

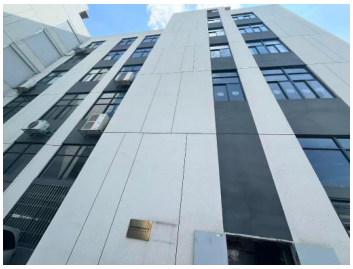
Attachments



Factory Name.jpg



Factory Gate.jpg



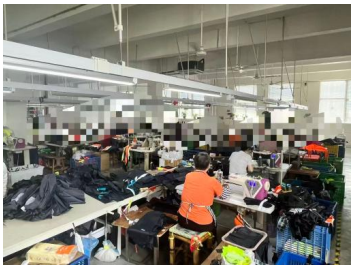
Building 1.jpg



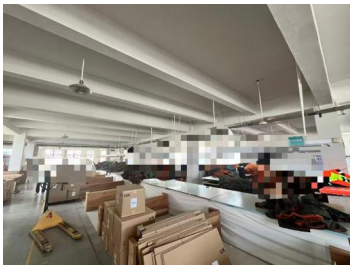
Raw Material Warehouse.jpg



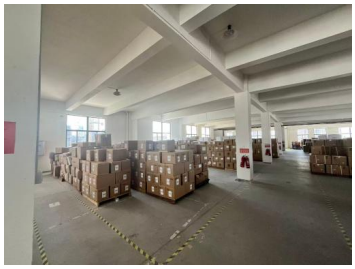
Cutting.jpg



Sewing.jpg



Inspection and Packing.jpg



Finished Good Warehouse.jpg



Fire Alarm Bell.jpg



Exit Sign and Emergency Light.jpg



Evacuation Plan.jpg



Fire Hydrant.jpg



Fire Extinguishers.jpg



First Aid Kit.jpg



Attendance Machine.jpg



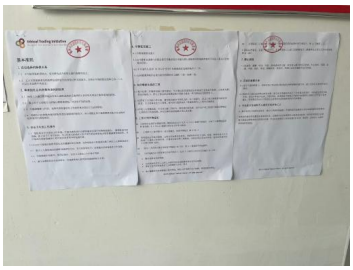
Suggestion Box.jpg



Toilet.jpg



Drinking Water Facility.jpg



ETI Base Code.jpg



Business License.jpg

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