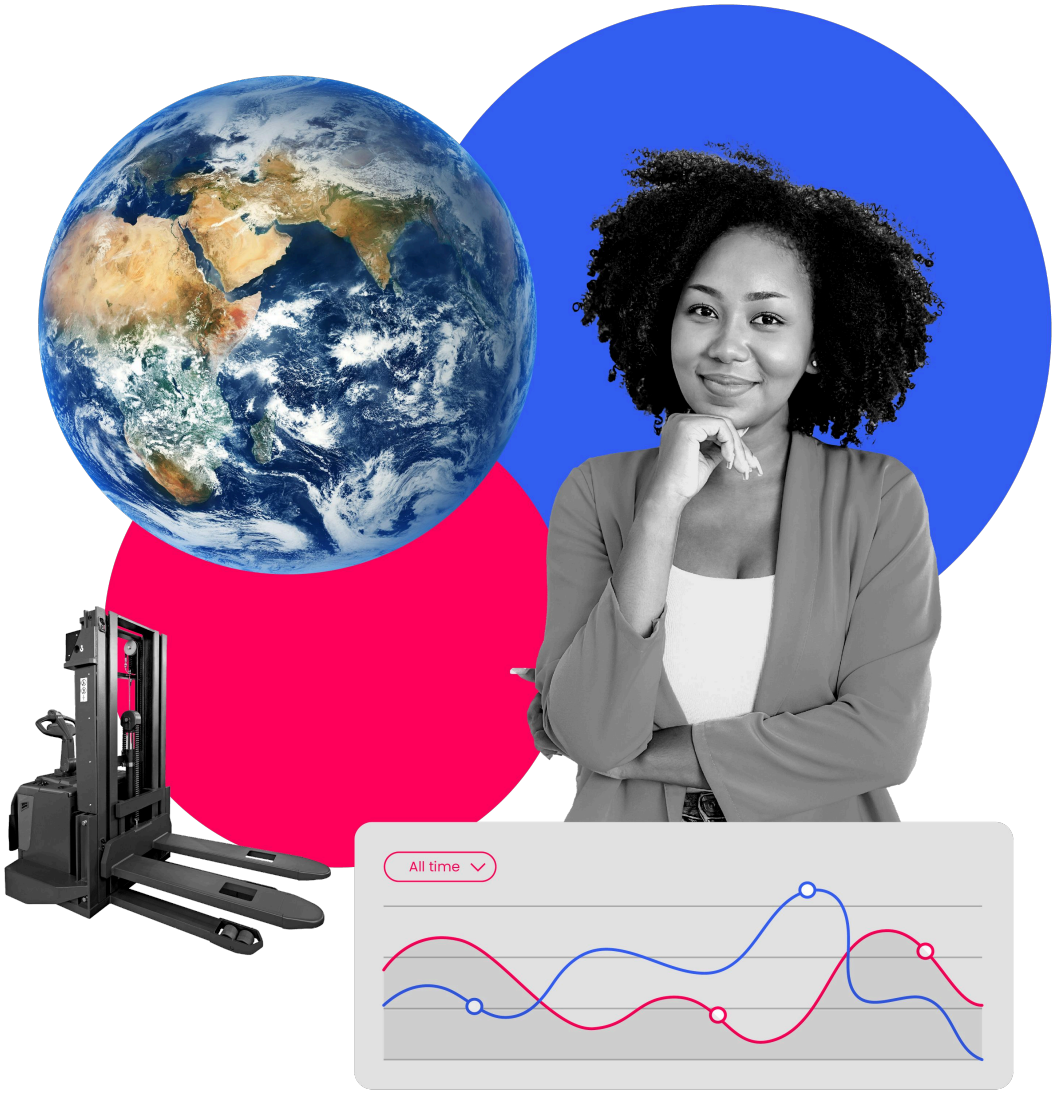
SMETA
powered by Sedex

Sedex Members Ethical Trade Audit Report

Version 7



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

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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.

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Findings →

Audit details

Site details

Sedex site reference	ZS1000046451	**Site name**	Zhuji Qingsheng Knitting Co Ltd
Business name	ZhuJi Qingsheng Knitting Co.Ltd	**Site address**	No.888 Wangma Road,Liming Community,Datang Sub-district,Zhuji City,Zhejiang,China 311899 zhuji CN 311800

Audit details

Sedex company reference	ZC5000039639	**Auditor company name**	LRQA
Audit company address	16th Floor, Cambridge House, Taikoo Place, 979 King's Road Quarry Bay, Hong Kong SAR, HK, HK		
Date of audit	2026-08-12	**Audit conducted by**	Bill Chen
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out	Day 1		Day 2	
	In	10:30	In	08:30
	Out	17:35	Out	11:30

Audit type	Full initial

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Findings →

Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Ms. Huang Luyao / Office 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	NA. No labor union was available in the factory.		
Reason for absence during the audit	NA. No labor union was available in the factory.		
Reason for absence at the closing meeting	NA. No labor union was available in the factory.		

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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)	Semi-announced audit with window from July 20, 2026 to August 19, 2026

Lead auditor	Bill Chen	**APSCA Number**	21701226
Additional auditor			
Date of declaration	2026-08-13		

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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. Huang Luyao
Title	Office Manager
Date of declaration	2026-08-13

← Contents

Findings →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC ZAF601568097
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC ZAF601568098
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601568099
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601568100

← 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	ZC5000039639	
Sedex site reference	ZS1000046451	
Company name	ZhuJi Qingsheng Knitting Co.Ltd	
Business ownership type	GOODS	
Site name	Zhuji Qingsheng Knitting Co Ltd	
Site name in local language		
GPS location	**GPS address**	No.888, Wangma Road, Liming Community, Datang Sub-district ,Zhuji City, Zhejiang Province and China 浙江省暨市大唐街道黎明社区望马路888号
	Coordinates	Latitude: 29.70864, Longitude: 120.15751
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Ms. Huang Luyao
	Job title	Office Manager
	Phone number	(86) 18368512975
	Email	hly@qsknittting.com

← Management systems

Worker analysis →

Company and site details

Applicable business and other legally required business license numbers and documents	Business license: 91330681MA2884XTXM, Valid from January 4, 2016 to long term. Registration of fire safety approval: Registration No. ZHUJIANXIAOBEIPINGZHI [2024] No. 173, issue date: May 4, 2024. Registration of structural safety inspection approval: Registration No. 31180020240719102, issue date: May 18, 2024. Environmental certifications: Pollutant Discharge Registration: 91330681MA2884XTXM 001Y, issue date: August 15, 2025 valid date: August 14, 2030.

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of knitted and crocheted fabrics
	Secondary	
	Other	
Product type	Socks	
Process overview	The factory specialized in the manufacturing of socks. Main production processes: knitting, linking, lasting, inspection and packing. There was one production line on-site, main equipment including 260 knitting machines, 6 linking machine, 2 lasting machines, 1 boiler and 2 cargo lifts.	
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?	15779m²

← Site details

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2024
	If building is shared, provide details	NA. No other tenants in the same building with auditee
	Number of floors	6
	Description of floor activities	1F: Raw material warehouse 2F: Lasting, inspection and packing sections, finished-product warehouse 3F: Knitting, linking sections 4F: Sundary warehouse 5F: Knitting, linking sections 6F: Knitting, linking sections
Building 2	**Last construction works on site**	2024
	If building is shared, provide details	NA. No other tenants in the same building with auditee
	Number of floors	7
	Description of floor activities	1F: Canteen, kitchen and office rooms 2F to 4F: Office rooms, meeting rooms and dormitory rooms 5F to 7F: Dormitory rooms
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	

← Site details

Worker analysis →

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All Documents of dormitory building were provided for review, and auditor also conducted tour in dormitory building during this audit.
Does the site organise worker transport to the worksite?	Not applicable Transport is not needed because all employees live in dormitories or all employees live near the site.

Work patterns

Approximate workers on site per month (% of peak)	**January**	90-100%	**February**	60-80%
	March	80-90%	**April**	80-90%
	May	90-100%	**June**	90-100%
	July	90-100%	**August**	90-100%
	September	90-100%	**October**	90-100%
	November	90-100%	**December**	90-100%

← Site details

Worker analysis →

Work patterns

Is there any night shift work at the site?	Yes Workers of knitting section in the factory worked in 2 shifts, 1st shift was from 8:00 to 16:00 and 2nd shift was from 16:00 to 24:00, other workers in the factory worked in 1 shift, normal working hours were from 8:00-11:00, 12:00-17:00, overtime at night was from 18:00 to 20:00 if overtime hours were arranged.
What night shift audit activities were conducted?	Individual worker interview(s) Management interview(s) Interviews conducted during day shift (rotated workers) Documents reviewed in the sample Night shift site tour
What percentage of the workforce, including temporary and agency workers, work during the night shift?	33%
Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling?	Yes The sample size of documents reviews and workers interview covered all shift workers during this audit.

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	Other social audit One BSCI audit was conducted in this factory on July 8, 2026 with C rate
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 No negative impacts were applicable for this factory on human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community in the past.

← Site details

Worker analysis →

Site assessments

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No No such audit was conducted in the last three years at this site.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	12 *(36.4%)*	21 *(63.6%)*	- -	33 *(100%)*

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	12 *(36.4%)*	21 *(63.6%)*	- -	33 *(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	12 *(40%)*	18 *(60%)*	- -	30 *(90.9%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	12 *(40%)*	18 *(60%)*	- -	30 *(90.9%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	The ethnic background of all management and production workers was mainland Chinese, 30 (90.9%) workers were migrated from other provinces of Guizhou, Yunnan and Shanxi etc. All workers were recruited directly by the factory.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 *(20%)*	4 *(80%)*	- -	5 *(15.2%)*
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	There was no obvious peak or non-peak month in the factory.
Please list the nationalities of all workers, with the three most common nationalities listed first	Chinese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	36%	64%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 *(0%)*
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 *(0%)*
Workers paid hourly / daily rate	12 *(36.4%)*	21 *(63.6%)*	- -	33 *(100%)*
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	12 *(36.4%)*	21 *(63.6%)*	- -	33 *(100%)*
Other	0 -	0 -	- -	0 *(0%)*

* % of total workforce

If other payment cycle entered, please provide details	NA, no other payment cycle used by the factory.

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	2 *(28.6%)*	5 *(71.4%)*	- -	7
Administrative staff	2 *(33.3%)*	4 *(66.7%)*	- -	6

← 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 of 5 workers
Did workers understand the purpose of the audit?	Yes
Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers?	Yes

← 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) NA, no relate concern was noted during workers' interview.
What did the workers like the most about working at this site?	Accommodation standards Freedom of movement Work atmosphere (e.g. treatment by supervisors)
Additional comments	Interviewed workers reported they joined the factory by direct hiring of the factory, no labor agency was used by the factory, no any recruitment fee was paid by them during the recruitment periods. They signed labor contract with the factory and copies of labor contract was maintained by themselves. They stated that their overtime hours were too less, they want to work more overtime hours to earn more wages, no deduction was made from their wages, their wages were paid at the end of each month for the previous month, no delay payment happened in the factory before. Their overtime hours were 0-2 hours per day and 8 hours on Saturdays, no Sunday overtime work was arranged to them. The factory management treated them as friends; no discrimination or inhumane treatment happened to them. There is no labor union in the factory and worker representatives were elected by them in the factory. They stated the working environment in the factory was good and no work-related injury happened in the factory. The factory conducted fire drills twice per year. They were all very satisfied with the factory.
Attitude of workers' committee/union representatives	There is no labor union established in the factory. The workers' representatives attended the whole assessment process. They were open to the assessor. They stated that they were elected by workers. Workers could raise suggestions or complaints through workers representative meeting. They would participate in grievance investigations and give a solution.

← Worker analysis

Measuring workplace impact →

Attitude of workers

Attitude of managers	Site management were cooperative with LRQA staff and provided full access to the whole facility. Management provided required documents and records in time, accompanied assessor with site tour and helped select workers for interviews. Management staff attended the closing meeting, confirmed all the findings and signed on to the CAPR without any argument.

Workers interviewed by type

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

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	2	3	-	5
Workers interviewed individually	2	4	-	6

← Worker analysis

Measuring workplace impact →

Migrant workers interviewed

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

← 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)	0.0%	2.0%	-	2.0%
Last full calendar year (2025)	10.0%	10.0%	-	20.0%
Previous full calendar year (2024)	8.0%	6.0%	-	14.0%

* 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)	0.6%	1.5%	-	2.1%
Last full calendar year (2025)	1.0%	1.0%	-	2.0%
Previous full calendar year (2024)	1.5%	1.0%	-	2.5%

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 All accidents would be recorded and maintained for at least 12 months.

← 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	1. During the audit, the factory management demonstrated cooperation and openness: all requested documents, designated interviewees, and the facility itself were readily accessible, and the auditor was provided with genuine, authentic records. 2.The factory neither offered bribes, threatened the auditor, nor used any means to induce the auditor to act dishonestly. 3.Prior to or during the audit, the factory provided an accurate site description and submitted the Sedex site profile as declared. 4.The factory maintained a written human rights policy that had been approved by the senior management, communicated to all employees, and used it to conduct training for relevant staff. 5.The facility ensured that accurate records were presented, and the audit was carried out with full transparency and integrity. Details: 1.Business license; 2.Employee Handbook; 3.Business ethic code of conduct; 4. Facility Profile 5.Factory rules; 6.Social compliance management handbook; 7.Appointment book of person responsible for implementing standards concerning Enabling accurate assessment; 8.Training records of the Code, social compliance, human rights; 9.Per employee interview, employees could raise issues regarding accurate assessment by suggestion box confidentially or call the hotline who was responsible for implementing standards of ensuring accurate assessment.

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

← Code area 0

Code area 1.A →

Management systems

Explanation for management systems grades	Policy and Procedure: (Robust) The factory had established policy and procedure “Forced labor management procedure” in place. The policy indicated no types of forced labor including human trafficking, debt bondage/ bonded labor or any other form of modern slavery was allowed, the worker can free to leave the factory buildings during non-working hours, all overtime hours were voluntary. The factory would not withhold any of workers’ original documents. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring employment is freely chosen in the factory. Assignment letter was approved by General Manager who was familiar with labor laws, regulation and other requirements on forced labor issues. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. HR staff and managements were trained for communication of no forced labor policy to new workers; all existing workers were trained on force labor topic during annual refresh training based on the annual training plan. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure employment is freely chosen and no forced labor issues happened in the factory. Monthly check and internal audits were conducted by qualified internal auditor for force labor management system and corrective actions were implemented to ensure continuous improvement. Based on the inspection records and internal audit report, no compliance regarding forced labor issue was raised in the past 2 years. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 0

Code area 1.A →

Systems and evidence examined to validate this code section	1.The factory has established a hiring policy and procedure in place to ensure employment is freely chosen. 2.No forced labor, human trafficking, debt bondage/ bonded labor or any other form of modern slavery was identified. 3.No case of control workers through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment identified. 4.Workers can freely leave the workplace; security guards or other authoritative figures did not restrict workers' freedom of movement beyond what is reasonable. 5.No surveillance was used for the purpose of controlling or intimidating workers. The factory does not stop the workers from communicating with others (inside or outside work), deny their social interaction, or isolate them. 6.No deposits, recruitment fees or costs, or any original documents (I.D. card or school certificate) were retained during employment process. 7.Resignation is free, and wages are paid to resigned workers on time after reasonable notice (usually 30 days in advance). 8.Wages were paid in time in line with law requirements, no more than monthly. 9.No debt or loans were intentionally provided to workers. 10.No involuntary prison labor was identified during the audit. 11.Workers work overtime voluntarily, no case of forced overtime identified. 12.A designated top management was responsible for ensuring employment is freely chosen. Details: 1. The facility policy to ensure employment is freely chosen was reviewed. The policy includes the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded, or involuntary prison labor; and employees are free to leave their employer after reasonable notice. 2. Training of forced, bonded or involuntary prison labor for all employees at the time employee, and re-fresh training was conducted once per year for all employees. 3. As per workers interview, they were free to leave their working stations once their shifts end, all overtime work was voluntary, and they are not required to pay any 'deposits' or withheld their ID cards. 4. Employees' manual, Factory rules 5. Personnel files records 6. Resignation records 7. Management and worker interview.

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

← Code area 1

Code area 2 →

Management systems

Explanation for management systems grades	Policy and Procedure: (Robust) The factory had established policy and procedure “Recruitment management procedure” in place. The procedure indicated that the factory would check workers ID cards during recruitment processes, no recruitment fee was required to be paid by workers. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring responsible recruitment and entitlement to work is complied with legal requirements in the factory. Assignment letter was approved by General Manager who was familiar with labor laws, regulation and other requirements on recruitment issues. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. HR staff and managements were trained in communication of company policy and procedures to new workers, all existing workers were trained on above policy and procedures during annual refresh training based on the annual training plan. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure responsible recruitment and entitlement to work. HR department was responsible for implementing the policy and procedures on recruitment. New workers interviews were conducted within the first month to ensure workers entered the factory as per factory policy. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 1

Code area 2 →

Systems and evidence examined to validate this code section	1.During hiring processes, the factory would review original photographic identification to validate that all workers have the legal right to work. 2.Personnel files records included workers I.D. cards indicated all workers had legal right to work. 3.Employee contracts reviewed with the indicated nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits were communicated and signed by workers during recruitment process. 4.The factory hired workers directly; no labor agents or labor contractors were used by the factory. No recruitment fee was paid by the workers during recruitment processes. Details: 1. Employees' manual 2. Factory rules 3. Personnel files records 4. Training records 5. Labor contracts 6. Management and worker 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	91%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	Yes
List the sending states/provinces/regions	90.9% of total workers were migrant workers, they were major from Shanxi, Guizhou and Yunnan 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	10

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	As per workers interview and review of personnel files, no recruitment fee or cost was required to be paid by them during recruitment processes.

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

← Code area 1.A

Code area 3 →

Management systems

Explanation for management systems grades	Policy and Procedure: (Robust) The factory had established policy and procedure “Freedom of association management procedure” in place. The procedure indicated that workers can be free to join or form union or equivalent workers organization, union members and workers representatives worked as communication and negotiation bridge between workers and managements. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring freedom of association and right to collective bargaining are respected in the factory. She is familiar with labor laws, regulation and other requirements on freedom and association issues. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. HR staff and managements were trained in communication of company policy and procedures to new workers, all existing workers were trained on above policy and procedures during annual refresh training based on the annual training plan. Training exam was taken to ensure communication was effective. Monitoring: (Some Improvements Recommended) Regular monitoring was carried out to ensure Freedom of association and right to collective bargaining are respected. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. For free join of labor union, in China, union belong to the local city federation of trade union, workers who want to join or form a labor union should be approved by local federation of trade union, so auditor rated this section as Some Improvements Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding

No findings

← Code area 1.A

Code area 3 →

Systems and evidence examined to validate this code section	1. The factory has a written policy on freedom of association, which states that workers are free to form any union or any form of other workers' organization in the facility. 2. Currently, there was no labor union established in the factory. 3. A worker committee was established consisting with workers representatives and management representatives, the workers representatives were elected by workers though votes. 4. Worker representatives are not discriminated against and have access to carry out their representative functions in the workplace. 5. All employees have the right to join labor union even though there was no labor union in the factory. 6. The workers could raise any issue or express their concerns through leaders, worker representatives, suggestion box etc. 7. The meetings between factory management and workers representatives were conducted quarterly to discuss workers grievance and concerns, and corrective action plans were implemented for the issues being identified. 8. Per worker interviews, workers expressed that they knew who their representative is, their activities and how they can engage with them. Details: 1. The policy on freedom of association 2. Worker representatives election records 3. Worker representatives and management representatives meeting records 4. Interview with workers committee members 5. Management and worker interview

← 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	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	Fundamental Improvements Required
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	Policy and Procedure: (Robust) The factory had established policy and procedure “Environment, Health and Safety management procedure” in place. Based on the procedure, the factory should be complied with all legal requirements on health and safety issues. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring working conditions are safe and hygienic in the factory. He participated in the safety management staff training and obtained the safety management staff certificate. She is familiar with labor laws, regulation and other requirements on health and safety issues. Communication and Training: (Fundamental Improvements Recommended) The policy and procedures were communicated to workers through training, posters etc. Health and safety training were conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. However, based on workers interviews, some workers reported they did not know the risk for not wearing PPE while working, it was a systemic issue of missing training, and the factory should enhance the training method or frequency to ensure more effective communications. Auditor rated this section as Fundamental Improvements Recommended. Monitoring: (Fundamental Improvements Recommended) Regular monitoring was carried out to ensure Working conditions are safe and hygienic. Regular inspection and internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. However, implementation was systemic missing as some workers not wear provided PPE. So auditor rated this section as Fundamental Improvements Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law	NC ZAF601568097

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	The facility had established EHS policies and procedures in place. 1. General Health and Safety management in the factory. • A Senior Manager was responsible for issue of Health & Safety in the factory and obtained the safety management staff license, there was an EHS committee established in the factory. • Minutes of meetings show that there were regularly meetings between EHS committee members and senior managers. • EHS committees conducted risk assessment by departments, high risks were managed by corresponding action plans. • Ventilation, temperature and lighting were adequate for the production processes. • Sufficient clean toilets segregated by gender were available at all time to workers. • The factory provided potable water to workers free of charge in workshop. 2. Structural Safety • The structural safety approval for the building was obtained. • No visual crack or obvious structural safety issue were identified for factory building. 3. Fire Safety • Fire safety approval was obtained for all buildings used by the factory. • Evacuation plans were posted in all workshops and understood by all interviewed workers. • The adequate number of emergency exits for all workshops were available as per legal requirements. • Sufficient fire-fighting equipment such as fire extinguishers and hydrants in production building. Regular inspection was taken by the factory per month. • Fire drill was conducted in the factory once in 6 months according to the fire drill plans and the records, the latest two fire drills were conducted on October 9, 2025, and April 3, 2026, separately which cover all shifts. 4. Electrical safety • All parts of electrical equipment were maintained in good condition such as sockets, plugs, switches, and main fuse boards. • Qualified electricians were presented in the factory and the certificates were available for review. • Electrical equipment was inspected regularly by electrician. 5. Chemical safety • Chemical inventory list was available. • Chemicals were stored separately with anti-leakage facilities, properly labelled, MSDS was posted at the chemical storage and usage areas. • Chemical spill drill was conducted annually with the records in place. • Workers in the chemical store area confirmed that they had been trained on correct handling procedures as well as what to do in an emergency. 6. Medical services • Sufficient first aid kit in production area and they were well stocked, workers could

← Code area 2

Code area 4 →

access them freely.
• Sufficient first aiders were available in the factory cover all shifts and the certificates were provided for review.
• Work incidents were recorded even no work incident happened in the factory for the latest 3 years.
• Medical checks were provided to workers contacting occupational hazards as per legal requirements.
7. Machine safety
• Machine safeguards were assessed and installed before put into use.
• Daily inspection was conducted by operators before daily operation.
• Work instruction was posted beside machines and regular inspection was conducted for machine safety.
• Certificates and inspection reports for special equipment was valid and current.
• Licenses for special equipment operators and special work operators were valid and current.
8. PPE
• PPE were provided to workers where required. However, some workers not wear provided PPE while working
• Training were provided to workers using PPE and responsible person was assigned to monitor the using of PPE during operation.

Details:
1. Fire-fighting equipment inspection and maintenance records
2. PPE training
3. Workplace occupational hazards factor testing report
4. License for special operation
5. Registration of special equipment
6. Inspection certificate of special equipment
7. Certificate of special equipment operator
8. Fire drill records
9. First aider certificates
10. Drinking water testing report
11. EHS inspection records
12. Management interview and workers' interview.

← Code area 2

Code area 4 →

Findings: non-compliances

ZAF601568097

Non-compliance

Due 2026-09-19

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

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

Description

It was noted that 2 out of 6 workers did not wear provided earplugs while working in knitting section on 6/F of the 6-storey production building, where noise generated.
在此次审核过程中，审核员发现工厂1栋6层生产楼6楼的织造车间2名接触噪音的员工在作业时没有佩戴提供的耳塞。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that factory should regular PPE training to workers, conduct regular PPE safety inspection at workplace, and develop and implement a Personal Protective Equipment (PPE) program to protect employees from workplace hazards that may cause bodily injury.

Local law reference

In accordance with Law of the People's Republic of China on Work Safety article 45. Production and business entities must provide employees with labor protection products that comply with national standards or industry standards and supervise and educate employees to wear and use them in accordance with the rules of use. Article 47, the production and business unit shall arrange funds for the provision of labor protection equipment and safety production training.

Evidence

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

← Code area 3

Code area 4 →



NC-Workers not wear provided PPE.JPG

* PDF generated at 06:06 (UTC) on 20 Aug 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
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
Who organises accommodation for workers?	The company owns or operates worker accommodation (onsite)
Who organises worker transportation between accommodation and worksite?	Not applicable
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable As per on-site observation, no structural additions were noted for factory used buildings. And all the factory buildings have obtained structural safety permits and were provided for review.
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	Robust Management Systems
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	Policy and Procedure: (Robust) The factory had established policy and procedure “Child labor and juvenile worker protection procedure” in place. Based on the procedure, no child labor can be used by the factory and prevent the placement of young workers in unsuitable positions. It outlined processes and responsibilities, including financial, for undertaking remediation for child labor. The factory would check workers ID card and copies of ID card would be maintained for records keeping. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for implementing the hiring and ensuring child labor is not used in the factory. She is familiar with labor laws, regulation and other requirements on child labor. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure Child labor is not used. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no child labor had ever used by the factory. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

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	1.The factory had established a policy and procedure in place to ensure no child labor shall be used by the factory. Child labor remediation procedure was established and met at least the ILO minimum requirements. 2.The factory would verify all workers' original ID cards at the time of recruitment and keep the photocopies of ID cards in personnel files. 3.All employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. 4.Hiring procedure and related protection policy of young workers were also kept in place even no child labor or juvenile workers were working at the factory currently. 5.No intern or apprentice was used by the factory. Details: 1. Personal file 2. I.D. card copies 3. Roster of employees 4. Management and workers interview

← Code area 3

Code area 5 →

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	15%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	20
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?	No

← 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	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	Fundamental Improvements Required
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	Policy and Procedure: (Robust) The factory had established policy and procedure “Wages and benefit management procedure” in plisses. Based on the procedure, wages and benefits should be complied with legal requirements. Resource: (Robust) Ms. Huang / Office Manager was assigned to responsible for ensuring legal wages are paid in the factory. She is familiar with labor laws, regulation and other requirements on wages and benefits. Communication and Training: (Fundamental Improvements Recommended) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. However, based on workers interview, more than 20% of sampled workers did not know they needed to enroll into social insurance and stated they could choose to enroll or not. The communication methods were not effective enough to ensure workers received properly. As it was a systemic issue, auditor raised it as Fundamental Improvements Recommended. Monitoring: (Fundamental Improvements Recommended) Regular monitoring was carried out to ensure Legal wages are paid. Internal audits were conducted by qualified internal auditors for labor management systems and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, the factory complied with all legal requirements on wages and benefits. Regular management review was conducted annually to review effective implementation status and seek continuous improvement. However, 85% of workers were not enrolled in social insurance per their comments of not being willing to enroll as wages would be deducted per month. As it was a systemic issue, auditor raised it as Fundamental Improvements Recommended.

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	NC ZAF601568098

← Code area 4

Code area 5.A →

Systems and evidence examined to validate this code section	1.Written wage & benefits policy (involving relevant local law regarding Minimum Wages, Overtime wage and social insurance policy, paid annual leave, sick leave etc.) in place stated in the social compliance management manual which had clearly been communicated to all workers via labor contracts, factory rules (covered disciplinary measures policy / deductions from wages) posting and training etc. 2.During this audit, the factory provided 12 months' payrolls (from July 2025 to June 2026) for review. A sample of these records provided for the months of June 2026 (most recent month), March 2026 (random month) and December 2025 (random month) were reviewed. As per factory management and provided payrolls, wages for all workers were calculated on hourly basis and paid on 15th of each month in cash. Based on provided payrolls and time attendance records, both workers' basic wages and overtime wages were above the legal requirements, workers hourly wages was RMB 16.1-RMB 20.12, which were above the local minimum wage of RMB 2260 per month/RMB 12.99 per hour before January, 2026/RMB 2430 per month/RMB 13.97 per hour since January 1, 2026. Overtime wage was paid at 150%, 200% and 300% of workers normal rate for overtime on normal workdays, rest days and official public holidays respectively, and total paid wages ranged from RMB 4140 to RMB 7333 per month. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil. For social insurance, a total of 40 employees (not including 9 retired employees) were eligible to receive five types of social insurances in June 2026 according to the law. However, through review of social insurance enrollment list and payroll records, only 6 employees were enrolled in injury insurance, medical insurance, pension insurance, unemployment insurance and child-bearing insurance. Besides, the factory provided commercial insurance to all 49 employees with valid date to February 4, 2027. Wage slip detailing: basic hourly wages, normal working hours, overtime working hours, holiday working hours, normal working hours wage, overtime working hours wage, statutory holidays allowance, paid leave, total monthly wages were provided to each worker. 3.No deduction from workers' payment for disciplinary sanctions was identified. 4.The legal required paid leave and breaks, for example paid annual leave, sick leave etc. were provided as per legal requirements. 5.Pay slips were provided to workers before payment was issued. 6.No in-kind benefits were used as part of payment by the factory. Details: 1. Employee handbook 2. Wages and benefits policy 3. Various leave records and corresponding payment records 4. Resigned workers time and payroll records 5. Payroll and attendance records 6. Social insurance and payment receipts

← Code area 4

Code area 5.A →

7. Disciplinary records
8. Management & workers interview

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601568098

Non-compliance

Due 2026-10-19

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

It was noted that a total of 40 employees (not including 9 retired employees) were eligible to receive five types of social insurances in June 2026 according to the law. However, through review of social insurance enrollment list and payroll records, only 6 employees were enrolled in injury insurance, medical insurance, pension insurance, unemployment insurance and child-bearing insurance. Besides, the factory provided commercial insurance to all 49 employees with valid date to February 4, 2027.
在此次审核过程中，审核员发现在40名符合参保条件的员工中(没有包括9名到达退休年龄职工)，只有6名参加了工伤保险保险、医疗保险、养老保险、失业保险和生育保险。此外，工厂有给所有49名职工购买意外商业险，有效期到2027年2月4号。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

Local law reference

In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc.
Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

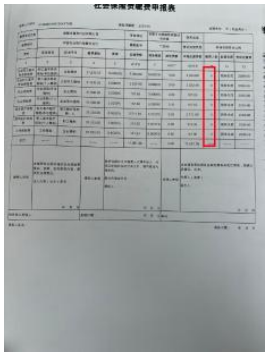
← Code area 5

Code area 5.A →

Evidence



NC-Insufficient participation in social insurance (2).JPG



NC-Insufficient participation in social insurance (1).JPG

* PDF generated at 06:06 (UTC) on 20 Aug 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?	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?	Does not use digital payments (give details) All workers' wages were paid in cash in the factory
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?	Full-Fledged Anker 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	Non applicable
Maximum legal overtime hours	**Max hours per day**	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	**Max hours per day**	2.0
	Max hours per week	14.0
	Max hours per month	56.0
Minimum legal wage	**Min per hour**	13.79
	Min per day	111.72
	Min per week	Non applicable
	Min per month	2430.0
Actual minimum wage	**Actual per hour**	16.1
	Actual per day	128.8
	Actual per week	Non applicable
	Actual per month	2800.0

← Code area 5

Code area 5.A →

Minimum legal overtime wage	**Min per hour**	20.95
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	24.15
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from June 2026 (most recent) 10 samples from March 2026 (random) 10 samples from December 2025 (random)
Are there different legal minimum/ legally recognised CBAs wage grades?	Yes The local minimum wage was upgraded from RMB2260 per month/RMB12.99 per hour to RMB 2430 per month/RMB13.97per hour since January 1, 2026.
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earned above minimum wage.
Are there any bonus schemes used?	No

← 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	1.The factory had established a living wage investigation and calculation procedure in place. 2.Wages and benefits paid for a standard working week meet, at a minimum, national legal standards. 3.The factory implemented the Full-Fledged Anker Methodology to calculated the total living wage of a family based on the following key elements: food, housing, education, transportation, clothes, energy and water consumption, saving for handling emergency affairs and divided the total workforce in the factory to obtain a single person living wage, the calculated living wages were RMB 3400, the calculated living wages plus legal deductions of social insurance, housing fund and personal tax were lower than the wages of lowest one paid by the factory. No gap was detected between the calculated living wage and the paid wages to workers. Details: 1. Payroll records 2. Living wages investigation and calculation procedure 3. Cost summary sheet of basic needs for all workers 4. Gap analysis sheet between calculated living wages and workers actual wages 5. Attendance records 6. Local legal minimum wage documents 7. Wages and benefits policy ss 8. Labor contracts for all employees 9. Pay slips of all interviewed workers 10. 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	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	Fundamental Improvements Required
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	Policy and Procedure: (Robust) The factory had established policy and procedure “Working hours management procedure” in place. Based on the procedure, all overtime hours should be complied with legal requirements, breaks, rest days and holidays are defined and provided to workers as per legal requirements. Resource: (Robust) Ms. Huang / Office Manager was responsible assigned to responsible for ensuring working hours are not excessive in the factory. She is familiar with labor laws, regulation and other requirements on overtime working hours. Communication and Training: (Fundamental Improvements Required) The policy and procedures were communicated to workers through training, posters etc. Training exam was taken to ensure communication was effective. However, as the factory could not control workers’ monthly overtime hours as per legal requirements and most workers wanted to work overtime to earn more money, the overtime was voluntary, the training for overtime control was not mandatory implemented. As system missing of training processes, auditor rated this section as Fundamental Improvements Required. Monitoring: (Fundamental Improvements Required) Regular monitoring was carried out to ensure Working hours are not excessive. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, the factory could not control working hours to comply with legal requirement as most workers wanted to work overtime to earn more money, and rush shipment turnround made the factory hard to establish the production plan to balance the shipment period and no excessive working hours to workers. The monitoring process of control overtime hours were not implemented, as it is a systemic failure case of missing monitoring, auditor rated this section as Fundamental Improvements Required.

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	NC ZAF601568099
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601568100

← Code area 5.A

Code area 7 →

Systems and evidence examined to validate this code section	1.There was a written policy established on working hours and overtime hours, as well as a system for monitoring working hours and overtime hours. Policy and Procedures for special terms for young workers and pregnant women are also in place. 2.The factory keeps an electrical attendance recording system to ensure the attendance system to be accurate. 3.During this audit, the factory provided 14 months' time attendance records (from July 2025 to August 2026) for review. A sample of these records provided for the months of June 2026 (most recent month), March 2026 (random month) and December 2025 (random month) were reviewed. Based on provided time attendance records, workers' working hours were 8-10 hours a day, 48-54 hours a week, with the average being 51 hours per week. The most continuous working days without rest were 6 while the average continuous working days without rest were 6. 4.Overtime hours were voluntary, and workers could refuse without penalty. 5.Overtime wages were paid at 150%, 200% and 300% of employee normal rate wages for overtime on normal workdays, rest days and official public holidays respectively. 6.Workers received all legally required rest and meal breaks, including continuous rest hours between shifts. Details: 1. Employee handbook 2. Wages and benefits policy 3. Various leave records 4. Resigned workers time records 5. Payroll and attendance records 6. Production records 7. Management and workers' interview

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601568099

Non-compliance

Due 2026-10-19

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

It was noted that the monthly overtime hours of 7 out of 10 randomly selected workers exceeded 36 hours in June 2026 with the highest of 56 hours; 7 out of 10 exceeded 36 hours in March 2026 with the highest of 54 hours; 7 out of 10 exceeded 36 hours in December 2025 with the highest of 56 hours.
在此次审核中，审核员发现在随机抽取的15名工人中，有7名工人的月加班时间在2026年6月超过36小时，最高达到56小时；在2026年3月，随机抽取的10名工人中有7名工人月加班时间超过36小时，最高达到54小时；在2025年12月，随机抽取的10名工人中有7名工人月加班时间超过36小时，最高达到56小时.

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

Local law reference

In accordance with the Labor Law of the People's Republic of China article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
In accordance with Interim Provisions on Safeguarding the Basic Rights and Interests of Over-Age Workers, Article 6. Where an employer arranges overtime work for an ov

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

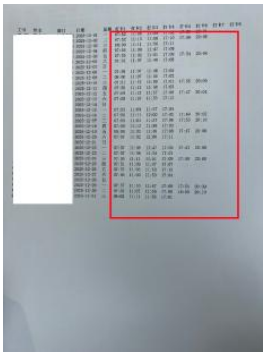
Area of non-compliance/non-conformance

Local law

← Code area 6

Code area 7 →

Evidence



NC-Monthly OT hours over 36 with max 56.JPG

* PDF generated at 06:06 (UTC) on 20 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601568100

Non-compliance

Due 2026-11-18

Code area

6 Working hours are not excessive

Workplace requirement

6.I 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

It was noted that the factory established working hour control procedure to ensure workers' working hours compliance with law requirement, however, this control procedure was not effective because workers' monthly overtime hours over 36 hours with max 56 hours.
在此次审核中，审核员发现工厂虽然建立了工时管控系统确保员工的工作时间符合法规要求，然而，工厂的工时管控系统无效因为员工的加班时间超过36小时最高达56小时。

Status

Open*

Time given to resolve

90 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

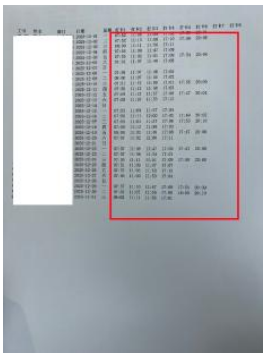
← Code area 6

Code area 7 →

Intended corrective and preventative actions, based on root cause analysis

It was recommended that the factory should ensure the working hour control procedure is implemented well to let workers' monthly OT hours not over 36 hours per month.

Evidence



NC-Monthly OT hours over 36 with max 56.JPG

* PDF generated at 06:06 (UTC) on 20 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Not applicable. Workers overtime wages were paid at 150%, 200% and 300% of employee normal rate wages for overtime on normal workdays, rest days and official public holidays respectively.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 6

Code area 8 →

Management systems

Explanation for management systems grades	Policy and Procedure: (Robust) The factory had established policy and procedure “Anti-discrimination management procedure” in place. The procedure indicated that the factory would not discriminate applicant's race, ethnicity, color, sex, religion, political views, ethnic origin, social origin, disability, HIV/AIDS status, sexual orientation, pregnancy/childbearing status, marital status, family responsibilities, age (other than the legal minimum working age) or nationality/foreign worker status. Workers at the same position get the same wages. Resource: (Robust) Ms. Huang / Office Manager was assigned to responsible for ensuring no discrimination is practiced in the factory. She is familiar with labor laws, regulation and other requirements on anti-discrimination. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure No discrimination is practiced. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no discrimination issue was identified in the past 2 years. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

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	1.The factory has written policy on anti-discrimination as well as policy on compensation, promotion, and training etc. 2.New staff hiring policy and advertisement indicates that no pregnancy or health check (HIV testing, HB check) was required. 3.No discrimination is practiced, taking particular consideration of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. 4.Gender and ethnic balance between workers and middle management is proper. 5.Workers have an equal approach in recruitment, training, development and promotion processes. 6.There's grievance channel (suggestion box or anonymous phone line etc.) for workers to report any discrimination. 7.The factory had a dedicated gender equity approach in recruitment, training, development and promotion processes. For example a) The factory focused on evaluating the workers' performance, education level and years of experience rather than the working hours in workers' promotion considering the workers who must take care of young children and cannot work overtime frequently. b) Workers can choose roles voluntarily. The factory implemented the "ability-matched" allocation to ensure the gender equity approach. Per the worker interview and document review, for females who proactively choose lifting roles, the daily quota is adjusted to 20 loads (matching average female physical capacity), with salaries equal to male lifters (but the loads are less than male). c) The factory offered "Leadership for Women" workshops to the female workers to help them prepare for supervisor roles. d) The factory provided differentiated training for male and female employees e.g. for positions with a high proportion of female workers, advanced courses are designed to amplify their advantages. Moreover, providing the communication, collaboration, and emotion management training to the male workers who would like to make a career change. Details: 1. Factory policy, hiring procedure, 2. Employee handbook, 3. Payrolls records, 4. Training records, 5. Employee contracts, 6. Termination records, 7. Medical check records, 8. Management and workers' interview

← 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)?	0%
Representation of women in managerial roles (ratio of women workers to women managers)	9%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	23%
Three most common nationalities in managerial and supervisory roles	All employees including workers, managers and supervisors were 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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

← Code area 7

Code area 8.A →

Management systems

Explanation for management systems grades	Policy and Procedure: (Robust) The factory had established policy and procedure on employment management. In the procedure, no labor agent or contractor was allowed to hire workers. All workers were hired directly. Resource: (Robust) Ms. Huang / Office Manager was assigned to responsible for ensuring employment followed with legal requirements in the factory. She is familiar with labor laws, regulation and other requirements on hiring process, no labor agent or contractor was allowed to hire workers. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure Regular employment is provided. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no labor agent or contractor was allowed to hire workers in the past 2 years. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 7

Code area 8.A →

Systems and evidence examined to validate this code section	1.Work performed was on the basis of recognized employment relationship established through national law and normal practice. 2.The factory hired workers directly and they never used any home-workers or agency workers. 3.No apprentice or temporary worker was working in the factory. 4.The factory signs labor contracts with employees on the day of confirmed employment, and all workers can have their own copy of the contract and pay slip. 5.HR staff were aware of local law concerning above worker pattern. Details: 1. Factory policy, employee handbook 2. Labor contracts 3. Hiring and termination records 4. Personal files 5. Job advertisement posters 6. Management and worker's interview

← 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	Robust Management Systems
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	Policy and Procedure: (Robust) The factory had established policy on sub-contracting, homeworking, and external processing, as well as written policy and procedure in place to control external working. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring no subcontracting and homeworkers were used in the factory. She is familiar with labor laws, regulation and other requirements on using subcontractors and homeworkers, and clients were not allowed for using of subcontractors and homeworkers. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure no Sub-contracting and homeworkers are used. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no subcontractor and homeworker was noted in the past 2 years.

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	1.The factory established policy on sub-contracting, homeworking, and external processing, as well as written policy and procedure in place to control external working. 2.The factory posted customers' Code of Conduct in the facility. 3.Through site tours, no sub-contracting and homework was used by the factory. 4.Review of material receiving/releasing records in warehouse, good releasing registration records in security guard room, purchase orders and production output records, the factory production capacity was sufficient to support current orders from their clients. No sub-contracting and homeworkers were used by the factory. Details: 1. Factory policy, 2. Various production and warehouse records checking 3. Management & workers interview 4. Site observations

← 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 Through documents reviewing the order records, materials in/out records, goods in/out records in security guard room, finished products shipping records, no homeworker was used by the factory and its suppliers.

Sub-contracting

← Code area 8.A

Code area 9 →

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No Through documents reviewing the order records, materials in/out records, goods in/out records in security guard room, finished products shipping records, the factory did not use subcontractor by evaluating the workers' capacity and production capacity.
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	Robust Management Systems
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	Policy and Procedure: (Robust) The facility had established a written Anti-harsh and inhumane treatment management procedure in place. The procedure indicated no cases of physical, verbal, psychological harassment, violence or abuse were allowed by the factory. Resource: (Robust) Ms. Huang / Admin Manager was assigned to responsible for ensuring no harsh or inhumane treatment is allowed in the factory. She is familiar with labor laws, regulation and other requirements on inhumane treatment. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training were conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure No harsh or inhumane treatment is allowed. Internal audits were conducted for labor management system and corrective actions were implemented to ensure continuous improvement. Based on the internal audit report and management review report, no harsh or inhumane treatment issue was noted in the past 2 years. Regular management review was conducted annually to review effective implementation status and seek continuous improvement.

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	1.The factory had established an anti-harsh or inhumane treatment policy. The policy states 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 in this facility. 2.The disciplinary procedure only includes oral warning, written warning and education, which was confirmed through worker's interview. 3.The factory has established grievance mechanism with non-retaliation policy and allow workers to report issues anonymously. Related training records and grievance records / documented evidence were maintained in place. 4.Security practices were humane and comply with customers' expectations. No bodily searches were conducted by the security guards. 5.No facilitated harsh or inhumane treatment of workers, including gender-based violence and harassment was identified. 6. The factory provided anti-harsh or inhumane treatment training for workers to prevent harsh or inhumane treatment in the workplace. Admin supervisor was responsible for monitoring the implementation of the training. Per the training records review and worker interviews, all workers were trained and acknowledged their rights. Details: 1. Policy of prevention of harassment and abuse. 2. Internal grievance procedure and grievance records. 3. Training records 4. Disciplinary records 5. Management and employee interview

← 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 The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	Report to worker representatives, leaders, supervisors and managers directly, write grievance to suggestion box to top management.
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	Robust Management Systems
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	Policy and Procedure: (Robust) The facility had established a written environmental management procedure in place. The procedure indicated that the factory would ensure the factory would comply with the legal requirement on environment aspects. Resource: (Robust) Ms. Huang / Office Manager was assigned to be responsible for ensuring the factory complied with environmental requirements. She is familiar with environmental laws, regulation and other requirements. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training were conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure the factory comply with the legal requirement on environment aspects. The regular inspection for environmental factors including air emission, boundary noise and domestic wastewater was conducted annually and the result was within regulatory limits. Internal audits were conducted for environmental management system and corrective actions were implemented to ensure continuous improvement.

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	1.The site has established Environmental policy concerning environment issue 2.The management staff responsible for environmental issues was aware of local laws / regulations governing environment, keeping the law up to date. 3.The factory had assessed the legal and customers' requirements on environmental factors, action plans for potential gaps were implemented. 4.The factory obtained the environmental impact assessment documents examined and approved by authorized environmental protection department, and the environmental acceptance check report was obtained. 5.The annual monitoring reports for wastewater and boundary noise were provided for review, and the results are within the restriction per environmental law. 6.The factory maintained a list of hazardous substances (e.g. chemicals and pesticides) used in manufacturing or in purchased components. Ensure they are compliant with their clients' requirements and relevant legislation in the destination countries for those substances. However, no hazardous substance or chemical used in the factory except some machine oil. 7. No hazardous waste, industrial wastewater or aire emission in the factory. Details: 1.Environmental policy and procedures 2.Environmental impact assessment report and approval 3.Environmental acceptance check report 4.Fixed pollutant sources registration form 5.Law list on environmental aspects concerned by the factory 6.Workers and Factory management interview 7.Site observations

← 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?	The factory did not get relate certificate, but the factory had registered its pollutant sources and obtained the approval as per legal requirements.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	Yes The factory had implemented programs to reduce energy consumption and resources usage to protect workers from the impact of climate change.

← 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	1.The site has established Environmental policy concerning environment issue 2.The factory conducted environmental factors analysis and raised the risk level, control measures were implemented. 3.Targets and objectives on electricity, water and waste reduction were established, and key performance indicators were monitored. 4.The factory monitored and mitigated the site's impact on biodiversity. Details: 1.Environmental policy and procedures 2.Law list on environmental aspects concerned by the factory 3.Targets and objectives on resource-use 4.Key performance indicator data 5.Workers and Factory management interview 6.Site observations

← 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?	Prioritising local suppliers
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory established a management system to manage environmental and chemicals issues. The factory would also collect clients' requirements as well as law requirements and evaluate the compliance status of the factory, if not met, the factory would take immediate action to address it.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The factory had implemented programs to reduce energy consumption. Targets and tracking records indicated the reduction plan implemented effectively.
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?	Yes The factory conducted suppliers' audits annually and the environmental aspect was included.

Usage/discharge analysis

	Last full calendar year (2025)	Previous full calendar year (2024)

← Code area 10.B

Code area 10.C →

Total electricity consumption from non-renewable sources (kWh)	109,565	123,492
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 by auditee	Other (provide details) No renewable energy used by auditee
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	LNG: 12000m3	LNG: 14400m3
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)	2,513	2,381
Water discharged	Domestic sewage	Domestic sewage
Water volume discharged (m3)	2,471	2,297
Water volume recycled (m3)	0	0
Total waste produced (mt)	1.5	1.9
Total hazardous waste produced (mt)	0	0

← Code area 10.B

Code area 10.C →

Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	1.5	1.9
Total product produced (mt)	300	338

← 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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Policy and Procedure: (Robust) The facility had established a written Company business ethic procedure in place, the procedure indicating no unethical business behavior would be allowed and grievance channel, investigation processes were in place and provided to all concerned parties. Resource: (Robust) Ms. Huang / Office Manager was assigned to responsible for ensuring the factory complied with business requirements. She is familiar with business laws, regulations and other requirements. Communication and Training: (Robust) The policy and procedures were communicated to workers through training, posters etc. Related training was conducted as per annual training plan for existing workers and orientation training for new workers. Training exam was taken to ensure communication was effective. Monitoring: (Robust) Regular monitoring was carried out to ensure no unethical behavior happened in the factory. Internal audits were conducted for business management system and corrective actions were implemented to ensure continuous improvement. No unethical issuing was reported in the past 2 years.

← Code area 10.B

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	1.The factory established a company business ethic code of conduct. 2.The plant manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery. 3.The factory conducted risk assessments to identify the potential risk of bribery, corruption or any fraudulent or unethical business practices and implement measures to mitigate these. 4.Personal data were properly protected, and only authorized personnel could have access to ensure privacy protection. 5.The company business ethics code of conduct was communicated to workers through posters and training. 6.There was an internal grievance process, which was an anonymous email address to report any unethical issues, non-retaliation policy was implemented to protect the reporters. Details: 1.The company business ethics code of conduct 2.Business ethic risk assessment reports 3.Worker handbook 4.Business ethic training records 5.Reports from Anonymous email account 6.Worker and management interview

← 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	NA, no relate certificate got by the auditee.

← Code area 10.C

Attachments

LRQA-CN-SMTA-361210_Signed CAPR_Zhuji Qingsheng Knitting Co., Ltd_Aug 12 & 13, 2026.pdf

LRQA-CN-SMTA-361210_Photo Form_Zhuji Qingsheng Knitting Co., Ltd_Aug 12 & 13, 2026.pdf