

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

Included in a 2-Pillar audit:

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

Included in a 4-Pillar audit:

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

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

Audit and site details

Audit details

Sedex company reference	ZC246049088	Auditor company name	SGS_China
Date of audit	2024-11-07	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS261347796	Site name	ZHANGJIAGANG TR TOOLS CO LTD
Business name	Zhangjiagang TR Tools Co Ltd	Site address	215637 Chenyang Chenxin Village, Yangshe Town 张家港市杨舍镇晨阳晨新村, ZHANGJIAGANG, CN
Site phone	58680113	Site email	cwy@tr-tools.com

Audit parameters

Time in and out	Day 1
	In 08:55
	Out 15:30

Audit type	Periodic
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Was the audit announced?	Semi announced
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Was the Sedex SAQ available for review?	Yes
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Who signed and agreed CAPR?	Jim Chen / Technical Manager
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Any conflicting information SAQ/Pre-Audit Info	No
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Is further information available?	No
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Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

Nil

Lead auditor

Yolanda Li

APSCA Number

21701916

Additional auditor

Leaf Ye

APSCA Number

32400325

Date of declaration

2024-11-07

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	Jim Chen
Title	Technical Manager
Date of declaration	2024-11-07

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...		NC ZAF600687445
	5.B Ensure that workers receive the insurance...		GE ZAF-
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...		NC ZAF600687446

Local law issues

No local law issues

Management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

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

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

Site details

Company and site details

Sedex company reference	ZC246049088	
Sedex site reference	ZS261347796	
Company name	Zhangjiagang TR Tools Co Ltd	
Business ownership type	GOODS	
Site name	ZHANGJIAGANG TR TOOLS CO LTD	
Site name in local language	张家港市天瑞工具有限公司	
GPS location	GPS address	Chenyang Chenxin Village, Yangshe Town, Zhangjiagang City, Jiangsu Province. Remark: 1.This audit is Semi-announced with 3 weeks window (Nov 4~Nov 22, 2024). 2. The audited factory rented one 4-storey building (one workshop with about 100m ² at 1F was used for metal processing by the landlord) and partial area of one 2-storey building (partial area of 1F used as warehouse by landlord) and partial area at 1F of one 5-storey building (other areas leased by the landlord to other factories used for garment or textile workshop and warehouse) used as office, workshop and warehouse from Zhangjiagang Lianggong Metal Products Co., Ltd. The separate business licenses and lease agreement were provided for review. Based on onsite tour and management interview, the audited factory and other factories didn't share workers and other sources etc. The audit scope just covered the areas of the audited factory.
	Coordinates	Latitude: 31°55'10" N Longitude: 120°31'33" E
Is the worksite in a remote location, far from habitation?	No	

Company and site details

Site contact	Contact name	Jim Chen
	Job title	Technical Manager
	Phone number	0512-58680113
	Email	cwy@tr-tools.com
Applicable business and other legally required business license numbers and documents	Business license number: 91320582747316695B. Valid from Mar. 4, 2003 to Mar. 3, 2053.	

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of luggage, handbags and the like, saddlery and harness
	Secondary	
	Other	
Product type	Tool bag, Knee pad	
Process overview	Main products: Tool bag, Knee pad Main production processes: Raw materials → Cutting → Sewing → Assembly → Inspection & Packing → Finished goods 2 production lines were available in the factory. Main equipment: cutting machines, sewing machines, etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	No
	NA

Site scope

Building 1	Last construction works on site	2005
	If building is shared, provide details	Yes. One workshop with about 100m2 at 1F was used for metal processing by the landlord.
	Number of floors	4
	Description of floor activities	1F was used as workshop and warehouse, 2F was used as workshop, warehouse and office. 3F-4F was used as workshop.
Building 2	Last construction works on site	2005
	If building is shared, provide details	Yes. Part of 1F and 2F was used as warehouse by the auditee, part of 1F was used as warehouse by the landlord.
	Number of floors	2
	Description of floor activities	Part of 1F and 2F was used as warehouse by the auditee, part of 1F was used as warehouse by the landlord.
Building 3	Last construction works on site	2021
	If building is shared, provide details	Yes. The auditee only used partial area of 1F, and other areas leased by the landlord to other factories used for garment or textile workshop and warehouse.
	Number of floors	5
	Description of floor activities	Part of 1F was used as warehouse by the auditee, part of 1F was used as warehouse by another factory. 2F-5F were used as workshop by other factories.
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not applicable There was no transport provided by the factory.

Work patterns

Approximate workers on site per month (% of peak)	January	95-100%	February	95-100%
	March	95-100%	April	95-100%
	May	95-100%	June	95-100%
	July	95-100%	August	95-100%
	September	95-100%	October	95-100%
	November	95-100%	December	95-100%

Is there any night or back shift work at the site?	No
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Site assessments

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

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	No
	NA

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	24 (31.2%)	53 (68.8%)	- -	77 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	24 (31.2%)	53 (68.8%)	- -	77 (100%)
Temporary or fixed term employees	0 (0%)	0 (0%)	- -	0 (0%)
Agency or subcontracted workers	0 (0%)	0 (0%)	- -	0 (0%)
Seasonal workers	0 (0%)	0 (0%)	- -	0 (0%)
Self-employed workers	0 (0%)	0 (0%)	- -	0 (0%)
Informal workers including home workers	0 (0%)	0 (0%)	- -	0 (0%)
Apprentices, trainees or interns	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	5 (6.5%)	16 (20.8%)	- -	21 (27.3%)
International migrant workers	0 (0%)	0 (0%)	- -	0 (0%)
Total migrant workers	5 (6.5%)	16 (20.8%)	- -	21 (27.3%)

* % of total workforce

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

Migrant workers were from Anhui, Henan and Hubei Province.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	2 (2.6%)	1 (1.3%)	- -	3 (3.9%)
15 - 17 years old	0 (0%)	0 (0%)	- -	0 (0%)
Under 15 years old	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? Yes

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	31%	69%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 (0%)	0 (0%)	- -	0 (0%)
Workers paid hourly / daily rate	24 (31.2%)	53 (68.8%)	- -	77 (100%)
Salaried workers	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 (0%)	0 (0%)	- -	0 (0%)
Paid weekly	0 (0%)	0 (0%)	- -	0 (0%)
Paid monthly	24 (31.2%)	53 (68.8%)	- -	77 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details NA

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (1.3%)	2 (2.6%)	- -	3
Supervisors or team leaders	3 (3.9%)	4 (5.2%)	- -	7
Administrative staff	3 (3.9%)	5 (6.5%)	- -	8

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 x 5 workers (5 in total)

Did workers understand the purpose of the audit? Yes

Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers? Yes

Was there any indication that workers had been 'coached' in how they should respond to questions? No

What was the general attitude of the workers towards their workplace? Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) There was no negative evidence found during the audit.
What did the workers like the most about working at this site?	Work environment – comfort (e.g. temperature, noise or dust levels) Communication (e.g. from management) Equal opportunities Grievance mechanisms
Additional comments	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general. Workers expressed that they sometimes wanted to work extra to earn more money, however they could turn down overtime if they wanted.
Attitude of workers' committee/union representatives	Interviewed with the worker representative, who said factory management were very care about workers and pay more attention to deal with workers' suggestion or complain. The worker representative showed that the management was kind and the workplace was comfortable. No negative information was identified.
Attitude of managers	The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they had implemented a Health & Safety committee to take care of health and safety concerns. The factory agreed that the auditor accesses to all facilities, and all requested documents and records were provided in a timely manner. The factory agreed that the auditors conducted confidential interviews with employees who were chosen freely without any influence by the factory.

Workers interviewed by type

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

Workers interviewed by group/individual

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

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	2	4	-	6
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	2	4	-	6

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	1.3%	-	1.3%
Last full calendar year (2023)	1.3%	3.0%	-	4.3%
Previous full calendar year (2022)	3.0%	1.3%	-	4.3%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2023)	1.0%	1.0%	-	2.0%
Previous full calendar year (2022)	1.0%	1.0%	-	2.0%

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

Are accidents recorded? Yes

Based on the document review, no injury case was happened in the factory during last 12 months.

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

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

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

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

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"> • The factory management agreed that the auditors could access to all facilities, compound documents and records requested by the auditors, and conduct confidential worker's interview. • The written human rights policy covering human rights impacts and issues which had published to all the workers. • HR Manager was designated to be responsible for implementing standards concerning Human rights. • The factory provided an accurate site description and Sedex site profile declared prior to or during the audit. • The factory has not bribed or threatened the auditor or in any way induced the auditor to be dishonest. <p>Evidence examined:</p> <ul style="list-style-type: none"> • Human rights policy • SAQ • Appoint letter of human right representative • Training records of human right representative • Worker interview and management interview • Business license 		

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
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Did any workers selected by the auditor decline to be interviewed?	No
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Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	No
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1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail could be found in the recruitment management procedure and quit management procedure. Documents clearly assigned responsibilities, processes in place and address all code areas.</p> <p>A senior HR manager was assigned responsibility for implementation along side an operations manager, and both were aware of their responsibilities. They have received a high level of external training on forced labour and have used their knowledge to develop effective processes in place. Key personnel such as those at the workshop were also offered training.</p> <p>Each workshop supervisor reported to the HR manager, the department monitors compliance with the process, and the factory holds a social responsibility internal audit plan on a regular basis.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- The factory had established the effective employment policies & program. Employees could be freely resignation after communication with management in advance 30 days notification.
- The employees obtained their job by HR market or by friend's recommendation.
- The workers were not required lodging deposits or their Identity papers to the factory at the beginning of employment.
- The terms and conditions of employment in the handbook state that the workers are free to leave the workplace outside of their working hours.
- No forced, bonded or involuntary prison labour was identified during the audit.

Evidence examined:

- Personnel files
 - Resignation records
 - Factory rules
 - Employee handbook
 - Management and worker interview
 - Hiring and Termination procedure
-

1. Employment is freely chosen

Data points

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail can be found in the recruitment management procedure and employee rights. Documents clearly assign responsibilities, processes in place and address all code areas.</p> <p>A senior HR manager is assigned responsibility for implementation and aware of the responsibilities.</p> <p>HR manager has received a high level of external training on responsible recruitment and employee rights and have used their knowledge to develop effective processes in place. Key personnel such as those at the workshop are also offered training.</p> <p>HR manager regularly check the authenticity and legality of employees' materials to effectively protect employees' rights and interests.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- Based on document review, management and workers interview, all workers in the factory were Chinese. All workers had the proper legal rights to work in this region.
- The factory had established recruitment procedures and employment procedures, and the factory would review the workers' original documents such as ID cards during the recruitment.
- No foreign worker was used by the factory.
- The factory collected related laws on entitlement to work and immigration.

Evidence examined:

- Hiring and Termination procedure.
 - Duties and responsibilities of the HR Executive.
 - Personal files of sampled workers.
 - Employee Roster
 - Worker and management interview
-

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	27%
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	Migrant workers were from Anhui, Henan and Hubei Province.

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

No

No recruitment fees were found during the audit.

Were recruitment fees or costs identified during worker interviews?

No

No recruitment fees were found during the audit.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail could be found in the worker representative document.</p> <p>Documents clearly assigned responsibilities, processes in place and address all code areas.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>The worker representatives will hold regular meetings to discuss health and safety, employee rights and other aspects. They will actively respond to the problems reflected by employees and use their knowledge to develop effective processes.</p> <p>The worker representative committee holds regular meetings, records the meeting content and the problems reported by employees, and reports to the management.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (ACFTU). As a consequence, all trade unions of factories in China are under the management of ACFTU. And most of the trade union representatives are appointed directly by it. Additionally, the trade union activity is limited on the right to organize and bargain collectively in China.
- Based on document review, management interview and worker interview, worker representatives were freely elected. They conducted the meeting regularly and meeting records were provided for review.
- Workers could raise their grievances or complaint to their worker representative or management directly.

Evidence examined:

- The policy on freedom of association
 - Minutes of the worker representative meeting
 - Interview with workers and management
 - Worker representative elected records
-

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

Data points

Are trade unions allowed by law in the national context? Yes

Are there any registered trade unions in the workplace? No

Are they active?

Does the employer recognise the trade union? Not Applicable

Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? Yes

Are the worker representatives freely elected by the workforce as a whole? Yes

Does union/worker committee membership reflect the gender composition of the workforce? Not Applicable

Does the membership reflect the nationality composition of the workforce? Not Applicable

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

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Occupational Health and Safety Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail can be found in the H&S management procedures.</p> <p>Documents clearly assign responsibilities, processes in place and address all code areas.</p> <p>A senior manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>EHS Manager has received a high level of external training on H&S and have used the knowledge to develop effective processes in place.</p> <p>Compliance with processes was monitored by the department reporting to the EHS Manager, who also checked on the implementation of the policy from time to time.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management
 - A Senior Manager was appointed as Health & Safety responsible for the site.
 - Potable water was freely available in all areas.
 - Sufficient clean toilets segregated by gender were available at all times to workers.
 - Ventilation, temperature and lighting were adequate for the production processes.
2. Fire Safety
 - There were at least 2 exits from each work area.
 - Fire equipment was adequate and checked once per month.
 - Evacuation diagrams were posted at each work area.
 - Fire drills were organized and recorded regularly, and the related records were provided.
3. Electrical safety
 - The electrical equipment was maintained in good condition.
 - There was competent electrician at the site and the training certificate was available for review.
4. Medical services
 - There were adequate first aid kits in each production area and they were well stocked.
 - Qualified first aiders were available in the factory.
5. Chemical safety
 - Chemicals were labelled and MSDS was available for chemicals.
 - All chemicals in the factory were stored in secondary containment.

Evidence examined:

- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Fire equipment maintenance records
- Building structure safety certificate
- Fire safety certificate
- Training records
- Fire drill records
- Accident records
- Onsite observation
- Worker interview and management interview

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?	Not applicable
Who organises worker transportation between accommodation and worksite?	Not applicable
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable There was no structural additions without required permits and/or inspections were found in the factory.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail can be found in the recruitment management procedure and policy against child labor. Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>HR manager has received a high level of external training on child labour and used the knowledge to develop effective processes in place, it can be considered robust.</p> <p>HR manager was directly responsible for the compliance of the process. Applicants would be asked to provide original ID cards and verified during recruitment.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- The factory established a policy on workers recruitment that workers must present their original ID card to proof their ages while recruiting, once workers have joined their original copies of ID card were kept in their personnel file. And the policy stated that the factory never employ and use any child labour under the age of 16 years old.
 - The factory established a policy to protect young workers which stated given a regular health check and will be registered with the local labour office, also did not arrange young workers to hazardous post.
 - Checks of all workers files showed that the youngest worker on site was 22 years old who was born on Nov 2, 2002 and joined in the factory on Oct 8, 2024.
- Remark: In China, minimum age of worker is 16 years old. Workers between 16-18 are regarded as young labour.

Evidence examined:

- Policy on workers recruitment
- Personnel files including the ID card copies of workers
- Roster and labour contracts of sampled workers
- Worker interview and management interview

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger

Enter the legal age of employment 16

Enter the age of the youngest worker identified 22

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

Were there children present on the work floor but not working at the time of audit? No

Do children live at the accommodation provided to workers? Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area, and further detail can be found in the policy on the wage and benefit policy. Documents clearly assign responsibilities, processes in place and address all code areas.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>HR manager has received a high level of external training on legal wages and have used the knowledge to develop effective processes in place, the workers also understand the process. Due to workers' incomprehension of the training content and incomplete communication, the training results are different from the ideal results. Compliance with the process was monitored directly by HR manager, if workers have any problems, they can report to the manager, however, in this case there was no mechanism for monitoring whether processes are implemented by operational staff.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...		NC ZAF600687445
	5.B Ensure that workers receive the insurance...		GE ZAF-

Systems and evidence examined to validate this code section

Current systems:

- The local legal minimum wage was RMB 2490 per month since Jan 1, 2024 and RMB 2280 per month before Jan 1, 2024, and all workers' minimum wages were paid in line with local law requirement.
- The payroll records from Oct, 2023 to Sep, 2024 were provided for review.
- All workers' wages were calculated by hourly rate.
- All workers were paid at the end of the following month by cash.
- All workers were provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- All workers were provided paid annual leave and other legal leave as per legal requirement.
- Social insurance was provided for some workers.

Evidence examined:

- Payroll records
 - Attendance records
 - Local legal minimum wage documents
 - Wages and benefits policy
 - Labour contracts
 - Leave records and resignation records
 - Payslips of all interviewed workers
 - Workers and management interview
-

Findings: non-compliances

ZAF600687445

Non-compliance

Due 2023-02-21

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

90 days

Issue title

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

Verification method

Follow up audit

Description

Inadequate social insurance coverage rate.
 According to the social insurance payment receipt of Nov, 2024 provided by the factory, there were total 77 workers (39 retirees and no new worker), only 24 workers (63%) were provided with (pension, injury, unemployment, medical, maternity) insurance.
 The factory provided commercial insurance for 30 workers.
 工厂的社会保险覆盖率不足。
 根据工厂提供的2024年11月社保缴费单据显示，工厂总共77名工人（39名退休员工，无新进员工），仅为24名员工（63%）提供了（养老、工伤、失业、医疗、生育）保险。
 工厂为30名员工购买了商业意外险。

Area of non-compliance/non-conformance

Description (carried over)

1/Finding: Insufficient social insurance Based on documents review, there were total 98 workers including 42 retired workers and no new workers. The factory provided social insurance payment vouchers of the recent three months, and the payment voucher of Oct. 2022 showed that the factory only provided social insurances (retirement, injury, unemployment, medical and maternity insurance) for 31 workers (55%). The factory provided commercial injury insurance for all other workers without social insurance including retired workers, which was valid from Mar. 11, 2022 to Mar. 10, 2023.

Corrective and preventative actions

The factory should provide social insurances for all employees as legal requirement.
 工厂应按法规要求为所有员工缴纳社保。

Corrective and preventative actions (carried over)

N/A

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

timescales was confirmed by factory

* PDF generated at 06:52 on 12 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Findings: good examples

ZAF-

Good example

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.

Description

The factory provided free working meals to workers.
工厂为员工提供了免费的工作餐。

Evidence



[Canteen.jpg](#)



5. Legal wages are paid

Data points

What is the basic wage paid to workers?	The legal minimum wage Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Does not use digital payments (give details) Workers' wage were paid by cash.
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

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

Summary information

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

Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	18.0
	Max hours per month	82.0
Minimum legal wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2490.0
Actual minimum wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	2560.0
Minimum legal overtime wage	Min per hour	21.47
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	22.07
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	10
Provide the date and details of the records	10 samples from Dec 2023 (Random) 10 samples from Jun 2024 (Random) 10 samples from Sep 2024 (Current)

Are there different legal minimum/ legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	100% of workforce earning above minimum wage.
Are there any bonus schemes used?	No
Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"> • The factory establishes the wage and benefit procedure documents, and implements them, supervises and maintains them in accordance with the procedures. • According to document review, management and workers interviews, workers salaries, overtime pay are all in compliance with regulatory requirements, and the factory conducted a gap analysis for living security wages. <p>Evidence examined:</p> <ul style="list-style-type: none"> • Wage and Benefit procedure • Gap analysis for living security wages 		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes main relevant requirements of the code area, and further detail can be found in the policy of working time and overtime management. Documents clearly assigned responsibilities, processes in place and address all code areas.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities. In practice, however, the management structure systemically leads to active decisions made to contravene the Base Code Area, such as prioritizing lead times for customers, leading to gaps with the management structure.</p> <p>HR manager has received a high level of external training on working hours and overtime, and used the knowledge to develop effective processes in place, workers were also trained on working hours and overtime. Due to workers' incomprehension of the training content and incomplete communication, the training results are different from the ideal results.</p> <p>Compliance with the process is monitored directly by HR manager, adequate management of the work area cannot be ensured because of gaps with monitoring procedures.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...		NC ZAF600687446

Systems and evidence examined to validate this code section

Current systems:

- There were written policies established on working hours and which were communicated to workers during recruitment process; while, the factory also provided employees manual to workers.
- Attendance records from Oct 1, 2023 to the audit day were provided for review during audit.
- According to time records and worker interview, the normal working hours were 8 hours per day, 5 days per week. One shift: 08:00-17:00 (1 hour for meal and rest) was arranged for all workers.
- Based on attendance records review, overtime was arranged on normal working days and rest days when necessary. No overtime was arranged on statutory holidays. All workers had one day off per seven days.
- Through workers' interview, overtime was voluntary.

Evidence examined:

- Workers interview
 - Management interview
 - Attendance records
 - Factory policy on working hours
 - Sample pay slips with recorded hours of all workers reviewed
 - Production records to cross check working hours
-

Findings: non-compliances

ZAF600687446

Non-compliance

Due 2023-02-21

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

90 days

Issue title

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

Verification method

Follow up audit

Area of non-compliance/non-conformance

Description

Workers' overtime exceeded legal requirement. Attendance records from Oct, 2023 to the audit day were provided by the factory during this audit. Based on the sampled attendance records of Dec, 2023 (random month), Jun, 2024 (random month) and Sep, 2024 (current month), 10 out of 10 sampled workers (from all production positions) monthly overtime exceeded the legal requirement of 36 hours. Maximum overtime hours in sampled months as below:

82 hours / month in Dec, 2023 (random month),

78 hours / month in Jun, 2024 (random month),

66 hours / month in Sep, 2024 (current month).

员工的加班时间超法规要求。

本次审核工厂提供了从2023年10月至审核当天的考勤记录。根据抽样2023年12月(随机月), 2024年6月(随机月)及2024年9月(当前月)的考勤显示, 10名抽样员工(来自所有生产岗位)月加班时间均超过了法规规定的36小时。

抽样月份最大加班工时如下:

2023年12月(随机月): 82小时/月,

2024年6月(随机月): 78小时/月,

2024年9月(当前月): 66小时/月。

Description (carried over)

2/Finding: Overtime hours exceeded legal requirement. The factory provided attendance records from Oct. 1, 2021 to the audit day for review. The peak month for the factory was not obvious. 10 samples were reviewed from Sep 2022, Apr 2022 and Nov 2021 respectively, and the details were as below: 1. The monthly overtime were 44 to 66 hours for 10 out of 10 sampled workers covered all production positions in Sep 2022 (the most recent month). 2. The monthly overtime were 46 to 80 hours for 10 out of 10 sampled workers covered all production positions in Apr 2022 (the random month). 3. The monthly overtime were 76 hours for 10 out of 10 sampled workers covered all production positions in Nov 2021 (the random month).

Corrective and preventative actions

The factory should ensure the overtime of workers in accordance with the legal requirement. 工厂应确保员工加班时间符合法规要求。

Corrective and preventative actions (carried over)

N/A

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

timescales was confirmed by factory

Evidence

0000101	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000102	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000103	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000104	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000105	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000106	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000107	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000108	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000109	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000110	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000111	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000112	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000113	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000114	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000115	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000116	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000117	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000118	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000119	2.5.1	4.1.1.1	01/11/24	09:00	18:00				
0000120	2.5.1	4.1.1.1	01/11/24	09:00	18:00				

Workers' overtime exceeded legal requirement..PNG

* PDF generated at 06:52 on 12 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	NA. It is not allowed under local law.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	58.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" the systems in place to manage this issue at the site includes main relevant requirements of the code area, and further detail can be found in the anti-discriminatory policy. Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>HR manager has received a high level of external training on discriminatory, and used the knowledge to develop effective processes in place. Workers were also trained in discrimination, it can be considered robust.</p> <p>Compliance with the process is monitored directly by HR manager and workshop director and there was follow-up monitoring of whether workers understand discrimination.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- According to management and workers interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethnical beliefs and political background, etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal and retirement
- There was no evidence of sexual harassment.

Evidence examined:

- The hiring and termination procedure
 - Leave application records and employee handbook
 - Labour contract
 - Termination records
 - Attendance and payroll records
 - Training records
 - Worker interview and management interview
-

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	1%
Representation of women in managerial roles (ratio of women workers to women managers)	3%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	7%
Three most common nationalities in managerial and supervisory roles	Chinese

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" and "Employee Manual" outlining the systems in place to manage this issue at the site includes main relevant requirements of the code area, and further detail can be found in the recruitment management procedures.</p> <p>Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of his responsibilities</p> <p>HR manager has received a high level of external training on employment, and used the knowledge to develop effective processes in place. Workers also know exactly what was in the labor contract, it can be considered robust.</p> <p>Compliance with the process is monitored directly by HR manager, the subsequent monitoring of this policy was also relatively perfect, it can be considered robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- All employees were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditor.
- All interviewed workers had received a signed labour contract.
- Workers' personal files were provided for review.

Evidence examined:

- Recruitment policy
 - The hiring and termination procedure
 - Personal files
 - Payroll records were provided for review
-

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
--	--------

Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
---	------

Percentage of workers employed as apprentices, trainees or interns	0.0%
--	------

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" outlining the systems in place to manage this issue at the site includes main relevant requirements of the code area, and further detail could be found in the internal audit management procedures. Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior HR manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>HR manager has received a high level of external training on sub-contracting, and has used the knowledge to develop effective processes in place, it can be considered robust.</p> <p>Compliance with the process was monitored directly by HR manager, the subsequent monitoring of this policy was also relatively perfect, it can be considered robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- According to management interview and workers interview, there were no home-working activities in the factory and such information was further confirmed by factory tour.
- Based on onsite observation and management interview, no process was subcontracted to other factory.

Evidence examined:

- Site tour
 - Materials in/out records
 - Interview with management and workers
 - Social accountability manual
-

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 homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
There was no homeworkers used in the factory.

Sub-contracting

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

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Social Responsibility Management Manual" outlining the systems in place to manage this issue at the site included main relevant requirements of the code area, and further detail could be found in the disciplinary procedures. Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust. A senior HR manager was assigned responsibility for implementation and aware of the responsibilities. HR manager has received a high level of external training on harsh or inhumane treatment were used responsibly, and used the knowledge to develop effective processes in place, it can be considered robust. Compliance with the process is monitored directly by HR manager, the subsequent monitoring of this policy was also relatively perfect, it could be considered robust.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- The factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- The factory had established a policy on Harsh Treatment. Based on workers' interview, there was no such negative evidence happened in the past.
- There was an internal process for grievance, such as suggestion box, where workers can report any grievances (harassment, bullying, discrimination, etc.). Any received complaint would be handled by management, without any reprisal for the worker in question.

Evidence examined:

- The relevant policy on prevention of harassment and abuse
 - Internal grievance procedure documentation
 - Training records
 - Worker interview and management interview
-

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers The grievance process is available to members of the local community
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What type of grievance mechanism(s) are available?	Suggestion box, worker representatives, etc.
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Number of grievances raised in the last 12 months	0
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Number of grievances resolved in the last 12 months	0
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10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	<p>The factory "Environmental Management Manual" outlining the systems in place to manage this issue at the site includes main relevant requirements of the code area, and further detail could be found in the ENV management procedures. Documents clearly assigned responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior manager was assigned responsibility for implementation and aware of the responsibilities.</p> <p>EHS manager has received a high level of external training on EHS, and used the knowledge to develop effective processes in place.</p> <p>Adherence to the process is monitored via reporting to the EHS Committee.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- The factory learned about the environment impact of their site and took continuously management measures to control the environment impact.
- Based on workers interview, they were trained on environmental protection.
- All legally required environmental documents were provided for review.
- The factory established the environment protection system. Environment policy & procedure was provided for review.

Evidence examined:

- Environmental policy and procedure
 - Environmental Impact Registration Form
 - Registration form of pollutant discharge
 - Worker and management interview
 - Site tour
-

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?

No

Does the site have any valid environmental or energy management certificates?

There was no such certificate obtained by the factory.

Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?

No

Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?

No

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ul style="list-style-type: none"> • The factory learned about the environment impact of their site and took continuously management measures to control the environment impact. • Based on workers interview, they were trained on environmental protection. • The factory summarized and monitored the energy and resource consumption status periodically, and established the energy conservation and emission reduction plan. <p>Evidence examined:</p> <ul style="list-style-type: none"> • Environmental policy and procedure • Environmental emergency plan • Environmental protection training records • Energy and resource consumption summary • Emission reduction plan 		

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?	Packaging optimization Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes There was a system to manage client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs)
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes Water and energy usage, and waste are monitored with reduction targets to reduce costs.
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 had monitored the environmental performance of business partners.

Usage/discharge analysis

	Last full calendar year (2023)	Previous full calendar year (2022)
Total electricity consumption from non-renewable sources (kWh)	260,112	258,203
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Data not available	Data not available

Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	Data not available	Data not available
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)	2,640	2,876
Water discharged	Municipal sewage pipe network	Municipal sewage pipe network
Water volume discharged (m3)	2,376	2,588
Water volume recycled (m3)	0	0
Total waste produced (mt)	40	45
Total hazardous waste produced (mt)	0	0
Waste to recycling (mt)	30	35
Waste to landfill (mt)	0	0
Waste to other (mt)	10	10
Total product produced (mt)	240	270

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	<p>The factory "Business Ethics Policy" outlining the systems in place to manage this issue at the site includes all relevant requirements of the code area. Documents clearly assign responsibilities, processes in place and address all code areas, they can be considered robust.</p> <p>A senior manager was assigned responsibility for implementation alongside an operations manager, and both were aware of their responsibilities. They have received a high level of internal training on Business ethics and have used their knowledge to develop effective processes in place.</p> <p>All employees have done a series of relevant training and verified the effectiveness of the training.</p> <p>Adherence to the processes is monitored via departmental reporting to the senior manager, and the factory has established a complete mechanism to verify implemented by operational staff.</p>

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

Systems and evidence examined to validate this code section

Current systems:

- A senior manager was the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.
- The company established a business ethics policy which was communicated to workers through posters and training.
- The site had received and read the Business Ethics policy of the auditor/audit company.

Evidence examined:

- Business ethics policy
 - Training records
 - Worker handbook
 - Management and worker interview
-

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?

No

Provide any certified anti-bribery management systems for the site

There is no such certification in place.

Attachments



[SMETA-JSASCN24606021-Zhangjiagang TR Tools Co Ltd-Nov 7, 2024-Annual-Onsite CAP.pdf](#)



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