

Sedex Members Ethical Trade Audit Report

Version 7



Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Summary of findings](#)

[Management systems](#)

[Site details and data points](#)

[Site details](#)

[Worker analysis](#)

[Worker interviews](#)

[Measure workplace impact](#)

[0. Enabling accurate assessment](#)

[1. Employment is freely chosen](#)

[1.A. Responsible recruitment and entitlement to work](#)

[2. Freedom of association and right to collective bargaining are respected](#)

[3. Working conditions are safe and hygienic](#)

[4. Child labour shall not be used](#)

[5. Legal wages are paid](#)

[5.A. Living wages are paid](#)

[6. Working hours are not excessive](#)

[7. No discrimination is practiced](#)

[8. Regular employment is provided](#)

[8.A. Sub-contracting and homeworkers are used responsibly](#)

[9. No harsh or inhumane treatment is allowed](#)

[10.A. Environment 2-Pillar](#)

[10.B. Environment 4-Pillar](#)

[10.C. Business ethics](#)

[Attachments](#)

Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & 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	ZC405338652	Auditor company name	LRQA
Date of audit	2024-09-20	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS417567882	Site name	Dongguan Junhao handbag Co Ltd
Business name	Dongguan Junhao handbag Co Ltd	Site address	523000 Building 3,Chaoheng Road No2, Chashan Town, Dongguan city, Guangdong province, China 广东省东莞市茶山镇超横路2号3号楼, 东莞市, CN
Site contact	Ms. Yuan Xia	Job title	Financial manager
Site phone	0769-86172998	Site email	wendychen@junhaohandbag.com

Audit parameters

Time in and out	Day 1		
	In	09:14	
	Out	16:45	
Audit type	Full initial		
Was the audit announced?	Announced		
Was the Sedex SAQ available for review?	Yes		
Who signed and agreed CAPR?	Ms. Yuan Xia / Financial manager		
Any conflicting information SAQ/Pre-Audit Info	No		
Is further information available?	No		

Audit attendance

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

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

Lead auditor	Pepper Zhuang	APSCA Number	32200518
Additional auditor	Johnny Chen	APSCA Number	21701249
Date of declaration	2024-09-20		

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms. Yuan Xia
Title	Financial manager
Date of declaration	2024-09-20





































Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	§1	NC ZAF600646352
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§2	NC ZAF600646353
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§3	NC ZAF600646354

Local law issues

§1	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.
§2	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.
§3	In accordance with PRC Labor Law 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.

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
- i

Some improvements recommended
- ✔

Robust management systems

Site details

Company and site details

Sedex company reference	ZC405338652	
Sedex site reference	ZS417567882	
Company name	Dongguan Junhao handbag Co Ltd	
Business ownership type	GOODS	
Site name	Dongguan Junhao handbag Co Ltd	
Site name in local language	东莞市俊昊手袋有限公司	
GPS location	GPS address	Building 3,Chaocheng Road No2, Chashan Town, Dongguan city, Guangdong province,China.
	Coordinates	Latitude 23.0333000; Longitude 113.7500000
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Yuan Xia
	Job title	Financial manager
	Phone number	0769-86172998
	Email	wendychen@junhaohandbag.com
Applicable business and other legally required business license numbers and documents	Business license number: 91441900MA56Y95C1G. Valid date: August 11, 2021 to long term	

Site activities

Site function	Finished Product Supplier
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Site activities

Site activities	Primary	Manufacture of luggage, handbags and the like, saddlery and harness
	Secondary	
	Other	
Product type	Handbag	
Process overview	Sewing, inspection and packing	
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?	1900m ²	
Building 1	Last construction works on site	2021
	If building is shared, provide details	2F, 6F-9F and 12F were not leased to any factory and is currently idle; 4F was used by Dongguan Runhum Clothing Co., LTD.; 5F was used by Dongguan Dexin Electromechanical Co., LTD.; 10F was used by Guangdong Delhi Machinery Equipment Co., LTD. ; 11F was used by Dongguan Shengbing Management Consulting Co., Ltd. and Shigao Packaging (Dongguan) Co., LTD
	Number of floors	12
	Description of floor activities	1F: office; 3F: Sewing, inspection and packing, warehouse.
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	

Site scope

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

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
No transport is provided for workers.

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	75-90%
	March	90-95%	April	95-100%
	May	90-95%	June	90-95%
	July	95-100%	August	90-95%
	September	95-100%	October	90-95%
	November	95-100%	December	95-100%

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

Site assessments

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

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? Yes
The factory has conducted those negative impacts assessment each year in their internal audit.

Site assessments

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

Yes

The factory had established and implemented Human Rights Impact Assessment system and conducted the HRIA once per year in their internal audit.

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	15 (40.5%)	22 (59.5%)	- -	37 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	15 (40.5%)	22 (59.5%)	- -	37 (100%)
Temporary or fixed term employees	- -	- -	- -	0 (0%)
Agency or subcontracted workers	- -	- -	- -	0 (0%)
Seasonal workers	- -	- -	- -	0 (0%)
Self-employed workers	- -	- -	- -	0 (0%)
Informal workers including home workers	- -	- -	- -	0 (0%)
Apprentices, trainees or interns	- -	- -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	14 (37.8%)	14 (37.8%)	- -	28 (75.7%)
International migrant workers	- -	- -	- -	0 (0%)
Total migrant workers	14 (37.8%)	14 (37.8%)	- -	28 (75.7%)

* % 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, 75.7% workers were migrated from other provinces of Hunan, Guangxi and Sichuan etc. All workers were recruited directly by the factory.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	1 (2.7%)	4 (10.8%)	- -	5 (13.5%)
15 - 17 years old	- -	- -	- -	0 (0%)
Under 15 years old	- -	- -	- -	0 (0%)

* % of total workforce

Workers by employee type

	Men	Women	Other	Total
Employees in management positions	1 (2.7%)	2 (5.4%)	- -	3 (8.1%)
Supervisors or team leaders	1 (2.7%)	1 (2.7%)	- -	2 (5.4%)
Administrative staff	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? No

Describe how this may vary during peak periods 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	41%	59%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	- -	- -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	- -	- -	- -	0 (0%)
Workers paid hourly / daily rate	15 (40.5%)	22 (59.5%)	- -	37 (100%)
Salaried workers	- -	- -	- -	0 (0%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	- -	- -	- -	0 (0%)
Paid weekly	- -	- -	- -	0 (0%)
Paid monthly	15 (40.5%)	22 (59.5%)	- -	37 (100%)
Other	0 (0%)	0 (0%)	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details Nil

Worker interview summary

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

Was the interview sample representative of all types of nationality and employment types of workers?

Yes

Was the interview sample representative of the gender composition of the workforce?

Yes

Number and size of group interviews

1 group of 5 workers each

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) Nil
What did the workers like the most about working at this site?	Job security Freedom of movement
Additional comments	Monthly wage could be paid on time and workers could easily leave even during working day.
Attitude of workers' committee/union representatives	The workers representative attended the whole assessment process. They were open to assessor. They stated that they were elected by workers. Workers could raise suggestion or complaint through workers representative meeting. They would participate in grievance solution.
Attitude of managers	Factory management were cooperative with LRQA staff and provided full access to the whole facility. Management provided required documents and records in time, accompanied assessors with factory tour and helped select workers for interviews. Management staff attended the closing meeting, confirmed all the findings and signed on the CAPR without any argument.

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 by group/individual

Workers interviewed in groups	2	3	-	5
Workers interviewed individually	3	2	-	5

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	3	-	8
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	3	-	8

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	1.0%
Last full calendar year (2023)	2.0%	3.0%	-	3.0%
Previous full calendar year (2022)	2.0%	2.0%	-	2.0%

* 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)	2.0%	1.0%	-	1.0%
Last full calendar year (2023)	1.0%	2.0%	-	2.0%
Previous full calendar year (2022)	1.0%	1.0%	-	1.0%

* 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

No accident occurred in the factory during last year.

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			

0. Enabling accurate assessment

Data points

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

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established employment management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

1. Employment is freely chosen

Data points

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

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established employment management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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	0%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	No

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process? Not Applicable

Were recruitment fees or costs identified during worker interviews? No

There was no such cost during employment as per interview.

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	Auditor found that the facility had established freedom of association and right to collective bargaining management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

Data points

Are trade unions allowed by law in the national context?	No
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	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	Some Improvements Recommended
Explanation for management systems grades	Auditor found that the facility had established Environment, Health and Safety management procedure onsite, however it was not implemented properly and related finding was raised.

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	§1	NC ZAF600646352

ZAF600646352

Non-compliance

Due 2024-10-27

Code area	3 Working conditions are safe and hygienic
Workplace requirement	3.M Ensure all machinery is installed, maintained, and used in a safe manner.
Issue title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)
Area of non-compliance/non-conformance	Local law Base code
Local law reference	In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.
Description	It was noted that the 2 out of 16 sewing machines were not equipped with needle baffles in the factory . 在此次审核过程中，审核员发现工厂12台缝纫机中有2台没有配备挡针板。
Corrective and preventative actions	It is recommended that the factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection, equip needle guards for all sewing machines to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.
Time given to resolve	30 days
Verification method	Desktop audit

Evidence



[NC-Lack of machine safety protection.jpg](#)



3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	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?	Yes The factory has obtained valid structural permit and inspection report for their buildings as per local law.
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	Auditor found that the facility had established anti-child labour management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	13%
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%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	Auditor found that the facility had established wages and benefits management procedures onsite, however, it was not implemented properly because insufficient social insurance participation finding was noted.

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC ZAF600646353

ZAF600646353

Non-compliance

Due 2024-11-26

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
Area of non-compliance/non-conformance	Local law Base code
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.
Description	It was noted that a total of 44 employees (excluding 3 retired and rehired employees) were eligible to receive five types of social insurances in September 2024 according to the law. However, as per management interview and document review, only 14 employee was enrolled in pension insurance, medical insurance, occupational injury insurance, unemployment insurance and child-bearing insurance. (Remark: The factory has purchased commercial accident insurance for 42 employees, valid from September 6, 2024 to September 5, 2025; The factory bought social medical and maternity insurance for a retired employee.)在此次审核过程中, 审核员发现截至2024年9月, 共有44名员工(不包括3名退休返聘员工)符合依法享受五种社会保险的条件。然而, 根据管理层访谈和文件审查, 只有14名员工参加了养老保险、医疗保险、工伤保险、失业保险和生育保险。(备注: 工厂给42名员工购买了商业意外险, 有效期从2024年9月6日到2025年9月5日; 工厂给一名退休返聘员工购买了社会医疗和生育保险。)
Corrective and preventative actions	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.
Time given to resolve	60 days
Verification method	Follow up audit

Evidence



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) The factory paid the wages in 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
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Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	Non applicable
Maximum legal overtime hours	Max hours per day	2.0
	Max hours per week	Non applicable
	Max hours per month	36.0

Actual overtime hours	Max hours per day	3.0
	Max hours per week	20.0
	Max hours per month	79.0
Minimum legal wage	Min per hour	10.92
	Min per day	87.36
	Min per week	Non applicable
	Min per month	1900.0
Actual minimum wage	Actual per hour	10.92
	Actual per day	87.36
	Actual per week	Non applicable
	Actual per month	1900.0
Minimum legal overtime wage	Min per hour	Non applicable
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	Non applicable
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	10 samples from July 2024 (most current month) 10 samples from January 2024 (random month) 10 samples from September 2023 (random month)
Are there different legal minimum/ legally recognised CBAs wage grades?	No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	Based on the payroll records and attendance records provided by the factory, workers' minimum wages were paid above the local legal requirement, which was RMB1900 per month as equivalent to RMB 10.92 per hour since December 1, 2021.
Are there any bonus schemes used?	Yes Full attendance and working efficiency bonus; Food and accommodation fee
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		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required
Explanation for management systems grades	Auditor found that the facility had established working hours management procedure onsite, however, it was not implemented properly because excessive monthly overtime finding was noted.

Summary of findings

Code area	Workplace requirement	Local law	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§1	NC ZAF600646354

ZAF600646354

Non-compliance

Due 2024-11-26

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)
Area of non-compliance/non-conformance	Local law Base code
Local law reference	In accordance with PRC Labor Law 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.
Description	It was noted that the monthly overtime hours of 8 out of 10 randomly selected workers exceeded 36 hours in June 2024 (Most current month) with the highest of 86 hours; 8 out of 10 exceeded 36 hours in January 2024 (Random month) with the highest of 84 hours; 8 out of 10 exceeded 36 hours in September 2023 (Random month) with the highest of 79 hours; No workers had worked more than 3 overtime hours per day. 在此次审核中, 审核员发现在随机抽取的10名工人中, 有8名工人的月加班时间在2024年7月超过36小时, 最高达到86小时; 在2024年1月, 随机抽取的10名工人中有8名工人月加班时间超过36小时, 最高达到84小时; 在2023年9月, 随机抽取的10名工人中有8名工人月加班时间超过36小时, 最高达到79小时。 没有工人每天加班超过3小时。
Corrective and preventative actions	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.
Time given to resolve	60 days
Verification method	Follow up audit

Evidence

[NC-Exceed monthly overtime working hours.jpg](#) 

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?	150%, 200% and 300% of employee actual wage deducted overtime wages of last month for overtime on normal working days, 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?	54.3
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	60.0
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	Auditor found that the facility had established Anti-discrimination management procedure and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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)?	80%
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)	4%
Three most common nationalities in managerial and supervisory roles	All managements and supervisors were from 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	Auditor found that the facility had established employment management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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	Auditor found that the facility had established subcontracting management and anti-using home workers procedures and they were implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The factory didn't allow their suppliers to use homeworker as per the policy and no homeworker was noted as per the suppliers' assessment reports.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
There was no such concern as per onsite tour, document review and interview.

Are any sub-contractors used? Yes

Sub-contractor 1	Processes subcontracted	Cutting, Oil edge
	Name of factory	Dongguan Liaobu Sanshun Leather Factory
	Address	Room 201, No. 11 Zhenye Street, Lingxia, Liaobu Town, Dongguan City
	Dates used	July 1, 2024
Sub-contractor 2	Processes subcontracted	Screen printing
	Name of factory	Dongguan Yongfa digital printing Technology Co., LTD.,
	Address	4F, Building A, No. 416 Jinxing Road, Liaobu Town, Dongguan City
	Dates used	August 20, 2024
Sub-contractor 3	Processes subcontracted	Embroider
	Name of factory	Dongguan Chashan Feng da computer Embroidery Shop
	Address	Room 102, No. 66, Chsouth Road, Chashan Town, Dongguan City
	Dates used	July 18, 2024

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	Auditor found that the facility had established Anti-harsh and inhumane treatment management procedures, and they were implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
	No findings		

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?

Suggestion box had been installed in the workshop and workers could also choose to report any concern to manager if needed.

Number of grievances raised in the last 12 months 0

Number of grievances resolved in the last 12 months 0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Auditor found that the facility had established environmental management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
			No findings

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?	Nil
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 has established reduction targets for water consumption and discharge, waste, energy and green-house gas emissions.

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Responsible use and management of water Zero-waste and recycling protocols Biodiversity and eco system impact management
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The factory has set up EHS committee to supervise and manage.
Does the site have reduction targets in place to manage climate related risks?	None
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	No
Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	Yes The factory has a corresponding agreement with the supplier.

Usage/discharge analysis

	Last full calendar year (2023)	Previous full calendar year (2022)
Total electricity consumption from non-renewable sources (kWh)	120,762	101,693
Total electricity consumption from renewable sources (kWh)	Data not available	Data not available
Sources of renewable energy used	Data not available	Data not available
Types of renewable energy used	Data not available	Data not available

Total natural gas consumption (kWh)	Data not available	Data not available
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)	2,073	1,985
Water discharged	Municipal sewer	Municipal sewer
Water volume discharged (m3)	2,073	1,985
Water volume recycled (m3)	0	0
Total waste produced (mt)	7	8.2
Total hazardous waste produced (mt)	0.5	0.5
Waste to recycling (mt)	1.4	1.7
Waste to landfill (mt)	5.6	6.5
Waste to other (mt)	0.8	1.2
Total product produced (mt)	42,000	40,000

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	Auditor found that the facility had established Business Ethics management procedure, and it was implemented properly.

Summary of findings

Code area	Workplace requirement	Local law	Finding
No findings			

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	N/A

Attachments



[LRQA-CN-SMTA-286946_Signed CAPAR Dongguan Junhao Handbag Co., Ltd September 20, 2024.pdf](#)



[LRQA-CN-SMTA-286946_PhotoForm Dongguan Junhao Handbag Co., Ltd September 20, 2024.pdf](#)





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