

Shenzhou International Group Holdings Ltd.

TICKER
SEHK:2313

MARKET CAPITALIZATION
US\$16 billion

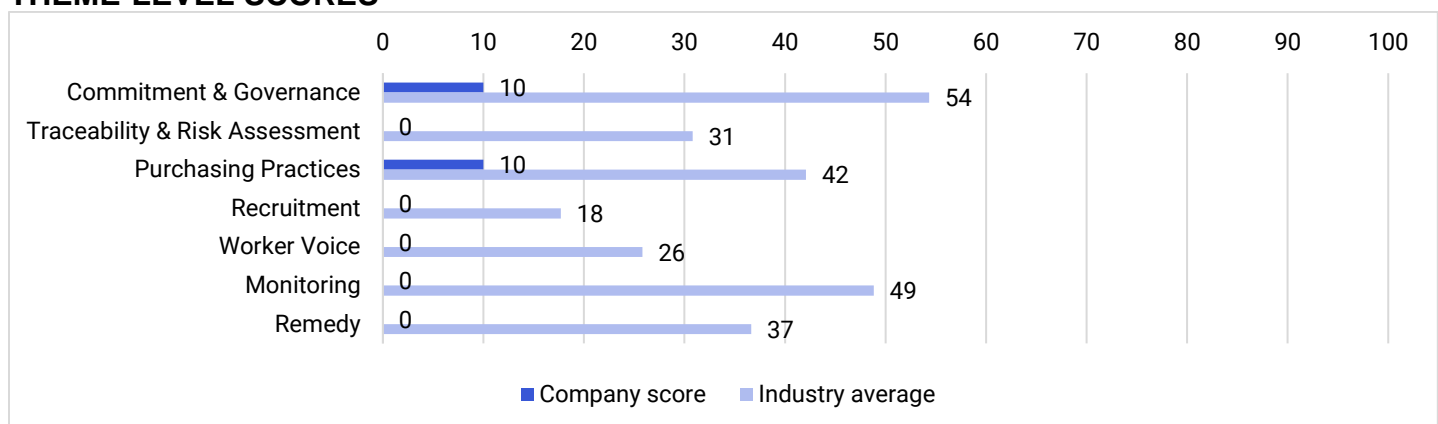
HEADQUARTERS
China

COMPLIANCE
UK Modern Slavery Act: [Not applicable](#)
California Transparency in Supply Chains Act: [Not applicable](#)
COMMITMENTS
[None](#)
OVERALL RANKING
38 out of 43

(2016: 19 out of 20)

OVERALL SCORE
3 out of 100
SUMMARY

Shenzhou International Group Holdings Ltd. (Shenzhou International), a China-based manufacturer, processor of textiles, and supplier to companies such as Adidas, Fast Retailing, and Nike, ranks 38th out of 43 companies and discloses significantly less information on its forced labor policies and practices than its peers. Compared to 2016, the company has taken limited additional steps to strengthen its performance and disclosure. Since 2016, it has disclosed some information on its purchasing practices. The company's score is based on its limited disclosure on the themes of Commitment & Governance and Purchasing Practices. The company is encouraged to improve its performance and disclosure on the themes of Commitment & Governance, Traceability & Risk Assessment, and Monitoring.

THEME-LEVEL SCORES

 Research conducted through June 2018, or through August 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment: Shenzhou International discloses that it has formulated formal requirements such as “Strict Prohibition of Forced Labor Administrative Provisions ... in order to completely eradicate child labor, underage workers and forced labor.” The company further discloses that “employees participate actively in the interactions with management at all levels to eradicate forced labor effectively.”

Purchasing Practices: Shenzhou International states that its supplier management seeks to “know in advance the production capacity of the supplier, technical equipment ... and also seek[s] application experience in the same industry and other users.” The company further discloses that it is a member of the Better Cotton Initiative, an ISEAL full member certification that requires farms to adhere to a set of Principles and Standards, including the promotion of decent work according to the ILO core conventions.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: While the company discloses that it has supplier policies in place and communicates with its suppliers on sustainability topics, it is encouraged to develop and disclose a supplier code of conduct that includes all four rights outlined in the ILO Declaration on Fundamental Rights and Freedoms at Work, including the prohibition of forced labor and human trafficking. It is further encouraged to establish responsibilities and accountability for the implementation of such a standard and train internal staff and suppliers on this standard.

Traceability & Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries of its below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Monitoring: The company may consider adopting and disclosing a supplier monitoring process to verify that its suppliers are compliant with its supply chain standards. Adopting specific practices, such as interviewing workers and conducting unannounced audits of suppliers may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings, provides assurance to stakeholders that the company has strong monitoring processes in place.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)