

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000042314	Site name	Team Fortune Zhihui (Huizhou) Animation Co Ltd
Business name	Team Fortune Zhihui (Huizhou) Animation Co. Ltd.	Site address	Floors 1-4 Huangzhuchang Section (Factory Building E of Hongfa Industrial Development Co Ltd.), , Xinlian Village, Xinxu Town, Huiyang District, 广东省惠州市惠阳区新圩镇新联村黄竹场地段（宏发实业发展有限公司厂房E)1至4楼 Huizhou CN 516223

Audit details

Sedex company reference	ZC5000036162	Auditor company name	Intertek Shenzhen
Audit company address	1F, Bldg. 3, Yuanzheng Science and Technology Industrial Park,, No. 4012, Wuhe Ave. North, Bantian Street, Longgang District,, Shenzhen, CN, 518107		
Date of audit	2026-07-21	Audit conducted by	Wilson Jiang
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

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Audit company:
Intertek Shenzhen

Audit reference:
ZAA600219062

Start Date:
2026-07-21

End Date:
2026-07-22

Time in and out	Day 1		Day 2	
	In	08:13	In	08:16
	Out	16:13	Out	12:16
Audit type	Full initial			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Zhang Fenglan / HR and Admin			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

Audit attendance

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

Reason for absence at the closing meeting There was no union in this facility.

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)

This was one semi-announced audit with window from 20th July 2026 to 20th August 2026.

Lead auditor

Wilson Jiang

APSCA Number

21700305

Additional auditor

Date of declaration

2026-07-22

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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	Zhang Fenglan
Title	HR and Admin
Date of declaration	2026-07-22

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601537055
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601537052
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601537053
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601537054

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[Management systems →](#)

Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

[← Summary of findings](#)

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	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	ZC5000036162	
Sedex site reference	ZS1000042314	
Company name	Team Fortune Zihui (Huizhou) Animation Co. Ltd.	
Business ownership type	GOODS	
Site name	Team Fortune Zihui (Huizhou) Animation Co Ltd	
Site name in local language	惠州市同富智汇动漫有限公司	
GPS location	GPS address	Floors 1-4 Huangzhuchang Section (Factory Building E of Hongfa Industrial Development Co., Ltd.), Xinlian Village, Xinxu Town, Huiyang District, Huizhou City, Guangdong Province, China.
	Coordinates	Not provided
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Zhang Fenglan
	Job title	HR and Administration Staff
	Phone number	13878071659
	Email	qhs13878071659@126.com
Applicable business and other legally required business license numbers and documents	Business License No.: 914411381MADKWKXB8L, which was valid from 23rd April 2024 to long term.	

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of games and toys
	Secondary	
	Other	
Product type	Plastic toys	
Process overview	The main products manufactured by the facility were plastic toys. The main production processes were listed as follows: The main machines of the facility were listed as injection, pulping, rotation, trimming, tempo printing, spray painting, assembling, inspection and packing. Production machines: injection machines, tempo printing, machines, spray painting machines, rotation machines and so on.	
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?	11286m ²

[← Management systems](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2008
	If building is shared, provide details	NA This was not one shared building.
	Number of floors	4
	Description of floor activities	1F: Injection, material warehouse, finished goods warehouse 2F: Office, assembling, packing 3F: Assembling, packing 4F: Rotation, pulping, tempo printing, spray-painting, trimming

Is there any difference between the site scope of the audit and the Sedex site profile? No

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? No

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

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
There was no legal requirement that the site must provide transport to employees.

[← Site details](#)

[Worker analysis →](#)

Work patterns

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

Is there any night shift work at the site? No

Site assessments

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

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? No
The site has not assessed for the negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? No
The facility did not conduct any Human Rights Impact Assessment in past three years.

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Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	47 (56.6%)	36 (43.4%)	- -	83 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	47 (56.6%)	36 (43.4%)	- -	83 (100%)
Temporary or fixed term employees	0 -	0 -	- -	0 (0%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Site details](#)

[Worker interviews →](#)

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	42 (53.8%)	36 (46.2%)	- -	78 (94%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	42 (53.8%)	36 (46.2%)	- -	78 (94%)

* % of total workforce

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

The domestic migrant workers were from Anhui, Sichuan, Chongqing, Hubei, Guangxi, Hunan, Henan, Guizhou, Fujian, Jiangxi and Ningxia.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	7 (100%)	0 (0%)	- -	7 (8.4%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

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

Describe how this may vary during peak periods There was no peak season in the facility.

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	57%	43%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	47 (56.6%)	36 (43.4%)	- -	83 (100%)
Salaried workers	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	47 (56.6%)	36 (43.4%)	- -	83 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details

N/A. No other payment cycle was used in this facility.

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	7 (100%)	0 (0%)	- -	7
Administrative staff	2 (28.6%)	5 (71.4%)	- -	7

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

Which methods of worker engagement were used? Individual interviews
Group interviews

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews 1 group of 5

Did workers understand the purpose of the audit? Yes

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

[← Worker analysis](#)

[Measuring workplace impact →](#)

Was there any indication that workers had been 'coached' in how they should respond to questions?

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?

Other (provide details)

The employees were satisfied with the facility and no negative comment was raised.

What did the workers like the most about working at this site?

Communication (e.g. from management)
Diversity
Equal opportunities
Freedom of movement
Grievance mechanisms
Overtime
Pay
Social activities and events
Social dialogue (e.g. freedom to associate)
Training and development
Work atmosphere (e.g. treatment by supervisors)

Additional comments

10 employees were randomly selected for interview including 5 male employees and 5 female employees, they were interviewed as 1 group of 5 employees and the balances of 5 employees were interviewed individually. Additionally, one manager responsible for environmental protection and business integrity was interviewed. Through employees' interviews, it was noted that all employees were satisfied with the facility and no negative information was raised. They were able to make suggestions to their team supervisors through a suggestion box and sometimes they had seen these suggestions used. They felt able to complain directly to their team supervisors or top managers and also felt free to give their general concerns to employee representatives who would take it to the management.

Attitude of workers' committee/union representatives

Through employee representative interview, employee representatives were pleasant with the facility working environment. They stated that they hold meetings with management level quarterly and could give suggestions on all parts of the site's practices. No negative information was raised.

[← Worker analysis](#)

[Measuring workplace impact →](#)

Attitude of workers

Attitude of managers

The management was open and cooperative throughout the process of the audit. The audited facility designated management staffs to be responsible for this audit, e.g. the facility assigned the tasks of coordinating the whole audit, accompanying the onsite tour, providing documents and arrangement of employee interviews etc. to management staff, and the assigned person completed assigned tasks well during the whole audit. The documents were provided in a timely manner. All necessary areas were allowed access for tour. A private room was arranged for employees' interview and the management allowed audit team to select employees for interviews. Photos taking of the facilities and copies' keeping of the samples of the reviewed documents were also permitted by the facility management. In the closing meeting, the facility representative agreed with the found non-compliances and stated that they would take relevant corrective and preventive actions for the found non-compliances as soon as possible. The management did not raise any negative feedback for the audit.

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	3	2	-	5
Workers interviewed individually	2	3	-	5

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	5	-	10
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	5	-	10

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	4.0%	5.0%	-	9.0%
Last full calendar year (2025)	5.0%	5.0%	-	10.0%
Previous full calendar year (2024)	5.0%	6.0%	-	11.0%

* 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)	4.0%	4.0%	-	8.0%
Last full calendar year (2025)	3.0%	4.0%	-	7.0%
Previous full calendar year (2024)	5.0%	4.0%	-	9.0%

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

Are accidents recorded?

Yes

The facility had an accident control procedure, which included root cause analyzing, corrective and preventive actions etc. Additionally, HR staff would responsible for accident report keeping. However, no accident happened in the latest 2 years.

[← Worker interviews](#)

[Code area 0 →](#)

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

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

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

Lost day work cases (per 100 workers)*

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

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

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

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

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

Previous full calendar year (2024)	0.0%	0.0%	-	0.0%
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Percentage of workers that work on average more than 60 total hours in a given week

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

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current Systems: 1. The facility allowed the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and all the buildings in the facility. Provide the auditor with genuine and authentic records. 2. The facility did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The facility provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility maintained a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel. Evidence examined: 1. Policy on human rights. 2. Social compliance policy and procedures. 3. Appointment letter for compliance responsible persons. 4. Ethic policy and procedures. 5. SAQ records. 6. Training records for employees. 7. Written social compliance commitments from suppliers and social compliance assessment reports for its suppliers. 8. Internal audit and management review record. 9. Management interview and employees' interview		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
Did any workers selected by the auditor decline to be interviewed?	No
Were any external stakeholders such as consultants, customer representatives, industry experts etc. present during the audit?	No

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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures :

- The factory established a policy and procedure prohibiting forced labor. What are the contents related to the code area mentioned in the policy and can be adapted to the future development of the factory.
- According to the provided policy and procedure government issued identification cards to show that they had the legal right to work; the procedure detailed the facility's rules about the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits, and stated that any recruitment fee was prohibited in the facility.
- According to the procedures, the labor providers or on-site service subcontractors should follow the same requirements to ensure responsible recruitment and entitlement to work. Therefore, the grading for policies and procedures was Robust.

2. Resources:

- The facility appointed one manager to oversee and implement the recruitment procedure covering the content of responsible recruitment and entitlement to work.
- The manager was aware of his responsibilities and regularly trains HR employees to raise their awareness of recruitment fee monthly.
- However, through the analysis of structure, apart from the Manager, there was no enough employee in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- There was a training plan in place and the facility followed it in practice which include entitlement to work and recruitment practices. Interviewed employees stated that they understood the content regarding to responsible recruitment and entitlement to work. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility monitored the effectiveness of Employment procedures through internal audit and management review.
- The working conditions, living conditions, employment terms, living costs, wages and benefits in the facility accurately reflect those communicated to employee during recruitment and communicated to employees regularly to increase their awareness.
- The facility conducted the internal social compliance audit once per year, which covered the subject of the responsible recruitment and entitlement to work, and the results were reviewed and acted upon by management. So, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. The facility had a written policy of prohibiting forced, bonded and prison labor. The policy stated that the facility did not require deposit or withhold employees' ID cards; the facility did not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labor; and employees are free to leave their employer after reasonable notice, etc. 2. There was a written recruitment procedure which states that employees must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards will be given back to the employees. 3. The employing handbook – given to all workers on joining, stated that workers were free to leave with 3 days' prior written notice within their probation period and can resign with one month's prior written notice after the probation period; the resigned workers would be given their full wages on their last day of work; according to the onsite observation and worker interviews, the workers were free to leave the workplace after their working hours every day; the overtime was voluntary, etc. Evidence examined: 1. Policy of prohibiting forced, bonded and prison labor. 2. Recruitment procedure. 3. Employee handbook. 4. Personnel files and labor contracts. 5. Resignation records. 6. Onsite observation, management and employee interview.		

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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures :

- The facility had the written recruitment policy and procedure covering the content of responsible recruitment , all employees should have the entitlement to work.
- According to the provided policy and procedure government issued identification cards to show that they had the legal right to work; the procedure detailed the facility's rules about the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits, and stated that any recruitment fee was prohibited in the facility.
- According to the procedures, the labor providers or on-site service subcontractors should follow the same requirements to ensure responsible recruitment and entitlement to work. Therefore, the grading for policies and procedures was Robust.

2. Resources:

- The facility appointed one manager to oversee and implement the recruitment procedure covering the content of responsible recruitment and entitlement to work.
- The manager was aware of his responsibilities and regularly trains HR employees to raise their awareness of recruitment fee monthly.
- However, through the analysis of structure, apart from the Manager, there was no enough employee in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- There was a training plan in place and the facility followed it in practice which include entitlement to work and recruitment practices. Interviewed employees stated that they understood the content regarding to responsible recruitment and entitlement to work. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility monitored the effectiveness of responsible recruitment and entitlement to work procedures through internal audit and management review.
- The working conditions, living conditions, employment terms, living costs, wages and benefits in the facility accurately reflect those communicated to employee during recruitment and communicated to employees regularly to increase their awareness.
- The facility conducted the internal social compliance audit once per year, which covered the subject of the responsible recruitment and entitlement to work, and the results were reviewed and acted upon by management. So, the grading for monitoring was Robust.

Summary of findings

[← Code area 1](#)

[Code area 2 →](#)

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. The facility had a written policy of recruitment and entitlement to work, this policy stated that the hold labor providers and on-site subcontractors contractually responsible to ensure no recruitment fees or related costs were incurred or charged to workers and specified the responsible party for reimbursing workers accordingly if they incurred fees or costs. If workers who were found to pay recruitment fees or related costs (including travel and visa costs), the responsible party was fully reimbursed in a timely manner. 2. The facility assigned one manager to be responsible for implementation the procedure of freely recruitment and entitlement to work and he was aware the responsibilities. He had necessary skills and seniority to manage this issue. 3. The facility provided effective training and communication on freely recruitment and entitlement to work procedure to all relevant workers, including managers and supervisors. Training content was updated according to need. 4. Through document review, management and employees' interview, all employees in the facility were directly and permanent employees. There was a total of 99 employees including 2 management employees and 97 non-management employees, 42 females and 57 males working in the audited facility at present. 7 employees were local employees from Guangdong province of China, 92 employees were from Anhui, Sichuan, Chongqing, Hubei, Guangxi, Hunan, Henan, Guizhou, Fujian, Jiangxi and Ningxia. All employees had the proper legal rights to work in this region. The youngest was 18 years old. No foreign employee was used by the facility. 5. The facility had conducted due diligence for the recruitment fees or costs for employees, and no recruitment fee or cost was observed. Evidence examined: 1. Employment contracts 2. Personnel files 3. Recruitment procedure 4. Employee handbook 5. Resignation records 6. Facility tour 7. Employees' interview 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 (excluding dispatched labour) on site? No

Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview? Not Applicable

Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? Not Applicable

Migrant workers

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

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 0%

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 The domestic migrant workers were from Anhui, Sichuan, Chongqing, Hubei, Guangxi, Hunan, Henan, Guizhou, Fujian, Jiangxi and Ningxia.

Recruitment fees

Have any workers who started at this site in the last 12 months (new workers) paid any recruitment fees or associated costs, such as visas or travel, which have not been fully repaid? No - all new workers were recruited locally by the site

Select 1 to 3 sending countries/regions of new workers. Record fees and costs in the following tables. China

New workers totals

China

Number of workers 44

Recruitment fees

China

Payments made in exchange for work -

Recruitment services which are not optional -

[← Code area 1.A](#)

[Code area 2 →](#)

Recruitment fees

Other or uncategorised	-
------------------------	---

Related costs

	China
--	-------

Medical costs	-
---------------	---

Insurance costs	-
-----------------	---

Skills and qualification tests	-
--------------------------------	---

Training and orientation	-
--------------------------	---

Equipment costs	-
-----------------	---

Travel costs	-
--------------	---

Accommodation costs	-
---------------------	---

Administrative costs	-
----------------------	---

Other or uncategorised	-
------------------------	---

Illegitimate costs

	China
--	-------

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

[← Code area 1.A](#)

[Code area 2 →](#)

Illegitimate costs

Payments made to illegitimate actors during the course of employment	-
--	---

Other or uncategorised	-
------------------------	---

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

China

Yes - to a recruiter	-
----------------------	---

Yes - to the audited site	-
---------------------------	---

Yes - to a third party	-
------------------------	---

No - could not verify	✓
-----------------------	---

Highest total costs incurred

China

Currency	CNY
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Highest total costs incurred	0.0
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Additional comments	No recruitment fee was paid by employees.
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[← Code area 1.A](#)

[Code area 2 →](#)

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

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- A policy and procedure concerning freedom of association and the right to collective bargaining was in place and the responsibilities and processes to implement policies and procedures are clear.
- The policy stated that the employees were free to form or join workers' organization and enjoy the right to collective bargaining, and nobody would be treated differently if they were members of workers' organization, etc.
- This policy was updated and posted on the employee noticeboard. Therefore, the grading for Policies and Procedures was Robust.

2. Resources:

- The facility appointed one manager to oversee the implementation of the procedure of freedom of association and right to collective bargaining.
- The facility has established regular contact with workers' representative and had provided meeting rooms for workers' representative to hold regular meetings if need. However, through the analysis of structure, apart from the manager, there was no enough employee in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- The facility communicated its policies and practices pertaining to freedom of association to all employees through comprehensive training programs.
- This included new employee orientation training, where employees were introduced to their rights and responsibilities related to freedom of association, as well as refresh training for existing employees to keep them informed and engaged.
- Interviewed employees indicated that they understood the training contents clearly, they had their rights and responsibilities related to freedom of association. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility provided multiple avenues for employees to freely communicate issues related to working conditions, wages and benefits, and freedom of association directly to management. This included regular meetings with facility, where employees could voice their concerns and suggestions, as well as a suggestion box where employees could submit their documented issues anonymously.
- The Manager monitors the freedom of association and help employee representative to conduct meet when it was necessary.
- The facility reviewed and updated the policy and procedures regularly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. Therefore, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
		No findings	
Systems and evidence examined to validate this code section	Current Systems: 1. Through management interview and employee interview, it was noted that management has an open attitude towards worker committee. Employees also can raise their concerns through suggestions box and their supervisors. 2. According to facility management interview, they never interfered in any legal activities which were organized by their employees. 3. There was no union, but one worker committee with 2 worker representatives in the facility. 4. Employee interview confirmed that the members of the worker representative had been selected by fellow employees. Evidence examined: 1. Policy of freedom of association and right to collective bargaining 2. Policy about suggestions and appeals 3. Worker representatives' selection records and meeting records 4. Response records for workers' suggestions and appeals 5. Interviews with worker representative, management and workers.		

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are there alternative worker representative bodies in place?	Yes, worker committee
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	Yes

[← Code area 2](#)

[Code area 3 →](#)

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

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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility has declared an EHS procedure and policy supported at the highest level that includes of emergency preparedness procedure, fire management control procedures, equipment management procedures, health and safety management procedures, first aid procedures, chemical management procedures, accident management procedures and etc. Outlining the commitment to maintaining a safe and healthy work environment for all employees.
- The policy is reviewed annually by the Health and Safety Committee and signed by facility manager, and controlled according to the quality management system procedure.
- All policies and procedures in place were in compliance with all of the workplace requirements within the Code Area. No gap in policies and procedures was observed. Therefore, the grading for policy and procedures was Robust.

2. Resources:

- The facility appointed one manager to oversee and implement the health and safety issues of the facility, and arranged an EHS meeting once per quarter with the presence of the Health and Safety Committee and supervisors of each department to address H&S concerns and provide updates. However, through the analysis of structure, apart from the manager, there was no enough employee in place for interim responsibility in the case of position change or absence. Therefore, the grading for resources was Some improvements Recommended.

3. Communication and Training:

- The facility provided employees with training related to health and safety, such as building safety, fire safety, electrical safety, working at height, chemical safety handle & disposal and PPE usage which the facility incorporates into its operations to ensure employees are aware of their safety concerns.
- All training was based on the risks on the site, especially training on fire protection and employee safety. The training record was kept and could contribute to a culture of compliance and awareness within the facility. Interviewed employees stated that they understood the health and safety related contents clearly. Therefore, the grading for communication and Training was Robust.

4. Monitoring:

- The appointed manager managed the production health and safety issues of the facility, and the workshop leaders were responsible for the specific implementation.
- The facility conducted the internal social compliance audit at least once per year, which covered the subject of health and safety; the facility would take correct action immediately if any health and safety violations found after the internal audit, and the relevant records for corrective and preventative action were provided for review. However, the facility currently lacks sufficient measures to monitoring the chemical safety procedure implementation, leading to a systemic risk of no secondary

Management systems

containment for some chemicals. Therefore, the grading for monitoring was Fundamental Improvements Required.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601537055

Systems and evidence examined to validate this code section

Current Systems:

1. General Health and Safety management

- Written Health and Safety Policy and Health and Safety Manual were established and implemented.
- One manager was appointed responsible for the facility's health and safety issues.
- Minutes of meetings showed that there were quarterly meetings between the H&S committee (workers) and the Health and Safety Officer, and each point was acted on.
- Potable water was freely available on each facility floor and test certificates were up-to-date.
- Sufficient clean toilets segregated by gender were available always to workers.
- Ventilation, temperature and lighting were adequate for each facility area. Noise level was acceptable per the occupational hazards factors testing report.
- Accident reports were available for review.

2. Fire Safety

- Valid fire safety certificate was available for the facility building.
- There were at least 2 safety exits from each facility floor.
- The facility's fire prevention related facilities included (1) fire extinguishers; (2) fire hydrants; (3) emergency lights; (4) safety exit signs; (5) lit evacuation signs; (6) evacuation plan; (7) emergency assembly point sign; (8) No smoking sign; (9) anti-explosion lights, etc.
- Fire prevention related facilities were valid, sufficient and maintained well, and the monthly inspection records were available for review.
- The open directions of the safety exit doors were adequate.
- Evacuation routes were designed well with yellow lines and unblocked.
- Evacuation plan was posted at each safety exit and understood by all interviewed workers.
- Fire drills were conducted for all employees at production areas and dormitory area twice a year, and the related records were provided for review. The latest one was conducted on 10th March 2026.

3. Electrical safety

- All electrical equipment was maintained in a good condition, such as sockets, plugs, switches and main fuse boards.
- There was one competent electrician with the valid qualification certificate in the facility.
- Warning signs were posted on the electrical panels.

4. Medical services

- There were adequate first aid kits on each floor and they were well stocked.
- There were 6 first aiders in the facility.

5. Chemical safety

- The facility used chemicals such as paints, thinner etc.
- Employees in the chemical store area confirmed that they had been trained on

correct handling procedures as well as what to do in an emergency.

- Some chemicals did not have secondary container
- Safety label was attached to chemicals
- Eye washing station was provided in chemical using and storage area.

6. Dormitory

No dormitory, canteen or kitchen was provided to employees.

Evidence examined:

1. Health and safety policy, manual
2. Health and safety committee minutes
3. Potable water testing report
4. Toilet cleaning records
5. Accident reports
6. Fire certificate, health certificates
7. Fire prevention facilities' regular maintenance and inspection records
8. Fire drill records
9. Electrical equipment maintenance and inspection records
10. The certificate of the electrician
11. Chemical safety training records
12. Chemical list for each chemical
13. Trained first aiders' records
14. Onsite observation
15. Interviews with Management
16. Interviews with workers and H&S committee members

Findings: non-compliances

ZAF601537055

Non-compliance

Due 2026-08-28

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbundled)

Area of non-compliance/non-conformance

Local law

Description

Chemical without secondary container. Through onsite observation, auditor noted that there was no secondary container for about 5% of chemicals such as paints and so on stored in spray-painting workshop on the fourth floor of production building.

化学品没有二次容器。依据现场巡查，审核员发现生产楼4楼喷油车间存放的化学品如油漆等大约有5%没有二次容器。

Base code

Intended corrective and preventative actions, based on root cause analysis

The facility claimed that they did not note this condition. The facility would correct this issue as soon as possible and would appoint one staff to monitor chemical safety issues of the facility.

Local law reference

In accordance with Regulations on the Safety Management of Dangerous Chemicals article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.

Evidence

[← Code area 3](#)

[Code area 4 →](#)



[Chemical without
secondary container.jpg](#)

* PDF generated at 10:26 (UTC) on 29 Jul 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Code area 3](#)

[Code area 4 →](#)

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Paints and so on were used in this facility.
Who organises accommodation for workers?	Workers independently arrange their own accommodation
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 addition in this facility.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and Procedures :

- A written recruitment policy included provision for non-employee (agency) workers was in place which outlined the key mechanisms in place for preventing underage work and the placement of young workers in unsuitable positions and explicitly stating that all workers must present their ID cards as proof of age during the hiring process. This policy ensures compliance with regulations prohibiting the employment of individuals under the age of 16.
- A juvenile employee protection procedure was documented, outlining measures to safeguard the rights and well-being of young workers, further reinforcing the commitment to not employ child labor.
- There was a written pregnant employee protection procedure although there was no pregnant employee in the facility.
- A child labor remediation procedure was also documented, demonstrating preparedness to address any potential issues promptly and effectively.
- The facility will update the policy and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future. Therefore, the grading for policies and procedures was Robust.

2. Resources:

- One manager was appointed within recruitment policy as ultimately responsible for ensuring its resourcing, approval and regular review.
- The manager was assigned to oversee the implementation of the recruitment procedure covering the requirement of prohibition of using child labor, the juvenile worker and pregnant worker protection procedure and the child labor remediation procedure. However, through the analysis of structure, apart from the manager, there was no enough employee in place for interim responsibility in the case of position change or absence. Therefore, the grading for resources was Some Improvements Recommended.

3. Communication and Training:

- The facility provided effective training and communication on the recruitment procedure covering the requirement of prohibition of using child labor, the juvenile worker and pregnant worker protection procedure and the child labor remediation procedure to all relevant workers, including the managers, supervisors, administration staff and normal production workers etc.
- Through reviewed the training record, it was noted that the training content was updated according to need. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- Responsibilities for monitoring implementation of age-verification are defined by the Hiring Procedure.
- The procedure requires that audit of the records kept of this verification is

Management systems

conducted by the General Manager, increasing to weekly at times of peak hiring. Records are kept of monitoring activities.

- Any identification of mis-application of procedures, or concerns about application are escalated for action in the monthly HR team meeting. For example, Young workers should not be discriminated against by denying them access to the workforce, but their specific needs should be taken into account to ensure they are undertaking appropriate work– this was highlighted by internal monitoring and re-training rolled out for key staff.
- The appointed Manager conducted an annual risk assessment for young workers with corrective and preventive actions to ensure long-term compliance in the future. So the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

[← Code area 3](#)

[Code area 5 →](#)

Systems and evidence examined to validate this code section

Current Systems:

1. There was a written recruitment procedure which states that workers must present their ID cards for proof of age but only copies must be kept in the personnel files and the original ID cards will be given back to the workers; and the facility will never employ and use any child labor under the age of 16 years old.
2. There was a written juvenile worker and pregnant worker protection procedure though there was no juvenile worker or pregnant worker in the facility.
3. There was a written child labor remediation procedure though there was no child labor in the facility.
4. The written worker roster was available.
5. The worker' personnel files include recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy lists the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 18 years old.

Evidence examined:

1. Recruitment procedure
2. Juvenile worker and pregnant worker protection procedure
3. Child labor remediation procedure
4. Worker roster
5. Personnel files
6. Management interview and worker interview
7. The facility established proper management system to ensure child labor not be used.

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	8%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility has established and implemented a wage & benefit policy along with controlling procedures. This policy and procedures outlined the minimum wage standards, overtime compensation rates, living wage and other employee benefits. The policy and procedures ensured that no monetary fines are used as disciplinary measures and prohibits any illegal deductions from employee wages. Therefore, the grading for Policies and Procedures was Robust.

2. Resources:

- The facility appointed one manager to implement of the policy of the wage & benefit policy and controlling procedure.
- The manager had the authority to implement the processes and he was clear about the wage and benefits policies and had the necessary skills and seniority to manage workplace requirements. However, through the analysis of structure, apart from the manager, there was no enough employees in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- Regular trainings on the wage & benefit policy and controlling procedure was provided to all relevant workers, including the managers, supervisors, HR staff and normal production workers etc.
- The relevant policies and procedures were written in the local language (i.e. Chinese) and posted in the notice boards to let the employees view anytime.
- The training was conducted according to a set plan, the latest training was conducted on 5th January 2026. The training content was updated and there was an effective assessment of understanding for those employees receiving training. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility monitored the implementation of procedures put in place to ensure ongoing compliance.
- The facility had conducted internal assessment and management review for this code area and most legal requirements about wages and benefits were implemented adequately. However, the facility currently lacks sufficient measures to monitoring the wages and benefits procedure implementation, leading to systemic risk, as insufficient social insurance for employees was noted during this audit. Therefore, the grading for monitoring was Fundamental improvements Required.

Summary of findings

[← Code area 4](#)

[Code area 5.A →](#)

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601537052

Systems and evidence examined to validate this code section

Current Systems:

1. Wage & benefit policy and controlling procedure were established and implemented.
2. The local minimum wage standard was set at RMB 1850 per month as equivalent to RMB 10.64 (1850/21.75/8) per hour since 1st March 2025.
3. All employees' wages were calculated on hourly-rate basis. The minimum wage paid by the facility was RMB 10.64 per hour based on provided payroll records, which met the legal requirement.
4. As per management interview and employees' interview, all in-service employees were paid on or before 30th of each month by bank autopay and all resigned employees were paid by cash.
5. Adequate wages and attendance records were kept in the facility, So, randomly sampled 10 employees' payrolls and attendance records from May 2026 (current month), January 2026 (randomly selected month) and August 2025 (randomly selected month), and attendance records from 1st June 2025 to 22nd July 2026 for further checking on status of wages and working hours.
6. The number of workers on payroll records was consistent with the number of workers in the employee register.
7. All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment.
8. No inconsistency regarding the workers' wages and working time was found between the payrolls, the attendance records, the production related records and worker interviews, etc.
9. Not all employees had participated in legally required social insurances.

Evidence examined:

1. Wage & benefit policy and controlling procedure
2. Training records about wage and benefit policy and controlling procedure
3. Local legal minimum wage documents
4. Local and national laws
5. Labor contracts for all workers
6. Payroll records from June 2025 to May 2026 (current month) and attendance records from 1st June 2025 to 22nd July 2026 were available for review.
7. Insurance payment receipts
8. Leave records
9. Resignation records
10. Disciplinary records
11. Production records such as daily production quantity records, inspection records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
12. Some employees participated in 5 types of social insurance.

13. Worker interview and management interview.

[← Code area 4](#)

[Code area 5.A →](#)

Findings: non-compliances

ZAF601537052

Non-compliance

Due 2026-09-27

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

60 days

Issue title

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

Verification method

Follow up audit

Description

Insufficient social insurance participated. Through document review, auditor found that there were 99 employees on audit days. There were 16 retirees hired to work again and 6 employees joined in the facility in June 2026 and July 2026, so 77 employees eligible for the 5 types of social insurance in June 2026. According to social insurance records of June 2026, only 13 out of 77 employees (13/77=16.9 %) had participated in employment injury insurance, medical insurance, basic endowment insurance, maternity insurance and unemployment insurance. The facility purchased commercial accident insurance for 90 employees, valid from July 1,2026 to June 30, 2027.

Area of non-compliance/non-conformance

Local law

Base code

社会保险参保不足。审核员发现企业在审核当天有99名员工, 有16名退休返聘人员和6名2026年6月与7月入职的员工, 因此2026年6月符合参加5项社会保险条件的有77名员工。依据2026年6月的社保记录, 77人中有13人 (13/77=16.9%) 参加了工伤保险, 医疗保险, 养老保险, 失业保险和生育保险。企业为90名员工购买商业险,有效期从2026年7月1日至2027年6月30日。

Intended corrective and preventative actions, based on root cause analysis

The facility claimed that this finding was caused by some employees were not willing to participate in social insurance scheme. The facility would communicate with employees to expand the social insurance coverage. The facility would appoint one staff to monitor wages and benefit issues of the facility.

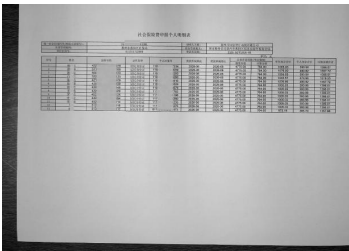
[← Code area 5](#)

[Code area 5.A →](#)

Local law reference

In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state. In accordance with the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

Evidence



[Insufficient social insurance participation.jpg](#) 

* PDF generated at 10:26 (UTC) on 29 Jul 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	Wages meet a living wage The legal minimum wage
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Mix of digital and other payment methods (give details) Bank autopay for in-service employees and cash for resigned employees
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Full-Fledged Anker Methodology

Worker 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

[← Code area 5](#)

[Code area 5.A →](#)

Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	168.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	20.0
	Max hours per month	92.0
Minimum legal wage	Min per hour	10.64
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	1850.0
Actual minimum wage	Actual per hour	10.64
	Actual per day	85.12
	Actual per week	425.6
	Actual per month	1850.0

Minimum legal overtime wage	Min per hour	15.96
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	Actual per hour	15.96
	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 May 2026(current month); 10 samples from January 2026 (randomly selected month); 10 samples from August 2025 (randomly selected 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?	Meets legal minimum
Indicate the breakdown of workforce per earnings	The minimum wage for standard hours was RMB10.64 per hour, which met local minimum wage standard.
Are there any bonus schemes used?	Yes Allowance: RMB1200 to 4000 per month Full attendance allowance: RMB100 per month

[← Code area 5](#)

[Code area 5.A →](#)

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	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current system: 1. Living wage policy and controlling procedure were established and implemented. 2. The facility calculated living wage and did local basic needs wage investigation. 3. The facility reviewed workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap. 4. Full-Fledged Anker Methodology is used for Living Wage calculation by the facility and the facility put in place a wage improvement plan. Evidence Examined: 1. Wages and benefits management procedure. 2. Local minimum wage standard document. 3. Payroll and attendance records. 4. Management and employees' interview. 5. Living Wage calculation form. 6. Assessment report about workers' total pay. 7. Wage improvement plan.		

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	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility had the working time policy and controlling procedure, which stipulated that the normal working hours were 8 hours per day and 40 hours per week; the weekly working hours should be no more than 60 hours; and one day off per week should be insured for all workers; the working time rules applied for all the employees. The policy and procedure stated that overtime of employee would be voluntary.
- These policies and procedures were reviewed and updated annually and will be updated if relevant laws and regulations are updated. Therefore, the grading for policy and procedures was Robust.

2. Resources:

- One manager was assigned for implementation the voluntary overtime policy and the working time policy and controlling procedure.
- The manager understood his role and responsibilities and he had the necessary skills to implement the code area. However, through the analysis of structure, apart from the manager, there was not enough employees in place for interim responsibility in the case of position change or absence. Therefore, the grading for resources was Some Improvement Recommended.

3. Communication and Training:

- Regular trainings on the voluntary overtime policy and the working time policy and controlling procedure were conducted to all relevant workers, including the manager, supervisors, office staff and normal production workers etc. Training material and training record were provided for review. Interviewed employees stated that they were clear about the training content about working hours. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility continuously assesses the effectiveness of the working time policy and procedures via regular monitoring and internal audits and takes proactive measures in response to non-compliances.
- The facility carried out a risk assessment of the working hours once a year.
- The management regularly reviews time records to manage overtime and the attendance records were maintained and reviewed regularly to ensure compliance with the working time policy.
- A variety of production and other records were cross-checked for consistency, and no inconsistency about working time was noted.
- The facility had conducted internal audit and management review to monitor the working hours. However, the facility did not adopt adequate controlling policy to ensure the compliance of monthly overtime hours, which caused major and system working hour issue, so the grading for monitoring was Fundamental Improvements Required.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601537053
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF601537054

Systems and evidence examined to validate this code section

Current systems:

1. Working time policy and controlling procedure were established and implemented.
2. Voluntary overtime policy was available and overtime was voluntary.
3. Working time policy and controlling procedure were communicated to the workers through regular trainings.
4. Working time was recorded, kept and provided for reviewing.
5. The workers' attendances were recorded by finger print scanning system. Based on the attendance records provided and payrolls as well as worker interviews, standard normal working hours were 8 hours per day and 40 hours per week; at least 1 day off in a week was assured; the total weekly working time (i.e. normal working time plus overtime per week) did not exceed 60 hours and the maximum weekly working hour was 60 hours;
6. According to the attendance records review and employee interview, all worker worked 10 hours (including 8 normal hour and 2 overtime hours) in Monday to Friday, worked 10 hours (rest day overtime) in Saturday and all employees rested on Sunday. The status of overtime hours in samples was as below:
2 overtime hours per day, 20 overtime hours per week and 86 to 88 overtime hours per month in May 2026 (current month);
2 overtime hours per day, 20 overtime hours per week and 92 overtime hours per month in January 2026 (randomly selected month);
2 overtime hours per day, 20 overtime hours per week and 90 to 92 overtime hours per month in August 2025 (randomly selected month).
7. No inconsistency regarding the workers' wages and working time was found between the payrolls, the attendance records, the production related records and worker interviews, etc.
8. According to management interview, overtime hours were caused by labor shortages and tight delivery date of the purchase orders, etc.

Evidence examined:

1. Working time policy and controlling procedure
2. Voluntary overtime policy
3. Labor contracts
4. Local and national laws
5. Training records about working time policy and controlling procedure
6. Payroll records from June 2025 to May 2026 and attendance records from 1st June 2025 to 22nd July 2026 (the audit day) were available for review.
7. Production records such as daily production quantity records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
8. Sampled pay slips with recorded hours of all workers interviewed

Findings: non-compliances

ZAF601537053

Non-compliance

Due 2026-09-27

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

60 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

Description

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 86 to 88 hours in May 2026 (Most current month); the monthly overtime hours of 10 out of 10 randomly selected employees was 92 hours in January 2026 (Random month) and the monthly overtime hours of 10 out of 10 randomly selected employees ranged from 90 to 92 hours in August 2025 (Random month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现在随机抽取的2026年5月份（当前月）的考勤中，10名随机抽取的员工中有10人的月加班时间为86至88小时；2026年1月份（随机月）的考勤中，10名随机抽取的员工中有10人的月加班时间为92小时，2025年8月份（随机月）的考勤中，10名随机抽取的员工中有10人的月加班时间为90至92小时。

Intended corrective and preventative actions, based on root cause analysis

The facility claimed that this finding was caused by busy production and employees were willing to conduct more overtime for more overtime wages. The facility would reduce the workers' overtime hours and ensure the workers' overtime hours are within legal requirements. Hire more workers and enhance production efficiency, reduce the workers' overtime hours and ensure the workers' overtime hours are within legal requirements.

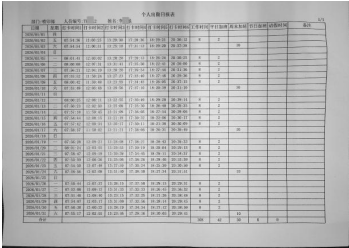
[← Code area 6](#)

[Code area 7 →](#)

Local law reference

In accordance with the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, 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 labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Evidence



[Overtime exceeded legal requirement.jpg](#)

* PDF generated at 10:26 (UTC) on 29 Jul 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF60I537054

Non-compliance

Due 2026-10-27

Code area

Status

6 Working hours are not excessive

Open*

Workplace requirement	Time given to resolve
6.I Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.	90 days
Issue title	Verification method
908 - There is a review conducted of working hours with the intention of responsibly managing overtime, but it is not adequate or does not lead to demonstrable corrective action	Desktop audit
Description	Area of non-compliance/non-conformance
The overtime controlling was not adequate. Through document review and management interview, the facility had established working hour controlling procedure and monitored overtime weekly. But the managing was not adequate or does not lead to demonstrable corrective action. 工时管控不足。根据文件查阅和管理面谈，企业已建立工时管控流程并且每周监管工时。但是工时管理不足，加班工时没有逐月减少。	Base code
Intended corrective and preventative actions, based on root cause analysis	
The facility explained that the management lacks awareness of overtime compliance risks, prioritizing production efficiency over employees' rights and failing to recognize potential legal liabilities and work-related accident risks from systemic overtime. The facility would include overtime compliance in management's KPI assessment and deduct relevant responsible persons' performance for systemic overtime to strengthen their accountability.	

* PDF generated at 10:26 (UTC) on 29 Jul 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	N/A. As per local law, the facility should pay no less than 150%, 200% and 300% of the normal wages for the extension of working hours on weekdays, rest days and statutory 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?	60.0
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

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

The facility has established an anti-discrimination and equity policy and procedure, which outlining the commitment to fostering a work environment free from discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership, or political affiliation and equity approach regarding recruitment, training, development and promotion processes. Therefore, the grading for policy and procedures was Robust.

2. Resources:

The facility appointed one manager to be responsible for implementing and enforcing the anti-discrimination policy and procedure. The responsibilities of manager were clearly defined. He had the necessary skills and seniority to manage this issue. He regularly trained office employees to raise their awareness of recruitment policy and procedure monthly. However, through the analysis of structure, apart from the manager, there was no enough employees in place for interim responsibility in the case of position change or absence. Therefore, the grading for resources was Some Improvements Recommended.

3. Communication and Training:

Orientation and refreshing training on anti-discrimination and equity were provided to workers, supervisors and managers, to ensure they understand the policy and their responsibilities in creating and maintaining a non-discriminatory and equity work environment. Special training was provided for employees in key positions. Through employee interview, all employees had a good understanding on the policies and procedures on anti-discrimination and equity. Therefore, the grading for communication and Training was Robust.

4. Monitoring:

The facility had implemented effective monitoring measures to ensure compliance with the anti-discrimination policy. The facility had a clear and uniform hiring policy, to ensure employees are hired based on skill rather than any personal characteristics or subjective requirements. The facility was free from any discrimination in employment including recruitment, training, working conditions, job assignment, pay, benefits, promotions, discipline, termination and retirement based on the grounds of race, color, age, gender, caste, social background, sexual orientation, ethnicity and national origin, disability, pregnancy, religion, political affiliation, union membership, marital status, medical condition or any other personal characteristics. Internal audit and management review included management requirement of antidiscrimination, any issue noted would be corrected and continuous improvement would be made, overall performance was reported to the relevant facility management. Therefore, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current Systems: 1. The facility had an anti-discrimination policy and procedure. 2. The regular trainings on anti-discrimination were provided to the employees. 3. As informed by interviewed employees, the employees spoke highly of the facility owner. 4. No employee was required to do the examination of the hepatitis B virus and HIV. 5. No female employee was required to do the examination of pregnant test. 6. Gender divisions did not exist in the facility; both female and male employees were distributed in all types of work. 7. There was no evidence of sexual harassment. 8. No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership or political affiliation was found in the factory. 9. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. 10. The facility assessed the barriers faced by different genders, and intersectional groups, and developed specific strategies to enable fair progression and access to opportunities. For example, the facility adopted bias-free hiring mechanism and transparent evaluation during the hiring process. To ensure equity, the pay aligned with role complexity (e.g. higher skills equal to higher pay), and salaries matched market rates (e.g. tech positions paying competitively). Evidence examined: The anti-discrimination policy and procedure. The regular training records on anti-discrimination. Hiring and termination procedure, leave application records and employee handbook. Payrolls and Attendance records Termination records Management interview and employee 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)?	3%
Representation of women in managerial roles (ratio of women workers to women managers)	2%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	0%
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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility had the recruitment policy and procedure covering regular employment.
- The recruitment policy and procedure stipulated that the facility will meet and how to meet its contractual and legal obligations in cases of hiring, dismissal, termination and redundancy.
- The facility will use employment labor models and non-employment labor models according to the legal requirements.
- All policies and procedures are appropriate for facility and were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. Therefore, the grading for policy and procedures was Robust.

2. Resources:

- The facility appointed one manager to oversee and implement the recruitment policy and procedure covering regular employment.
- The manager had the authority to implement regular employment and he regularly trains office staff to raise their awareness of recruitment policy and procedure monthly. However, through the analysis of structure, apart from the manager, there was no enough employees in place for interim responsibility in the case of position of change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- The training plan was in place and the facility provides necessary training to newly or current employees to ensure that all employees understand their rights and responsibilities under the labor contracts, as well as the facility's policies regarding recruitment and employment practices.
- The latest training was conducted on 5th January 2026. The interviewed facility management and employees understood of the entire recruitment process and the training was effectively. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility ensured compliance with laws and policies by monitoring employment practices.
- Management would conduct meets regularly and proactively to improve issues arising from the recruitment process to preventing temporary or home workers, and had clear processes for workforce management.
- The facility conducted the internal social compliance audit once per year, which covered the subject of regular employment, and the results were reviewed and acted upon by management to ensure long-term compliance in the future. Therefore, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. The employment relationship was legal. The employees were recruited by the facility directly. The facility signed labor contracts with all employees upon hiring and re-signed the labor contracts when the labor contracts expired. All employees received the copies of their labor contracts. 2. The facility complied with obligations to employees arising from the regular employment relationship. 3. The facility had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the facility. The facility provided the regular trainings about the recruitment policy and procedure for all employees. The interviewed facility management and employees understood of the entire recruitment process. 4. The effective management system was in place to identify and monitor the hiring and management of all employees. The local employees and migrant employees were hired legally and treated equally in the facility. 5. No temporary employee or apprenticeship scheme existed in the factory. No homeworking existed in the facility. No labor agency was used to hire employees. 6. All processes were finished within the facility. 7. The labor contracts of all employees were available for review. The labor contracts were signed by employees themselves. The interviewed employees knew clearly the contents of the labor contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws. Evidence examined: Hiring and termination procedure. Personal files. Labor contacts of employees. Management and employees' interview.		

[← Code area 7](#)

[Code area 8.A →](#)

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
Percentage of workers employed as apprentices, trainees or interns	0.0%

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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility had the sub-contracting and home-working management policies and procedures.
- According to the sub-contracting and home-working management policies and procedures, subcontracting and home-working would not be used unless there was a previous agreement from the main clients and the legal requirements in terms of social compliance (such as the working time, ages and benefits, health and safety working environment), ethics and environmental performances were assured;
- The subcontractors can not hire child labor, can not discriminate employees, and can not abuse its employees; the home workers can not be child labor.
- All policies and procedures were appropriate for the facility and lead to sustainable compliance with all of the Workplace Requirements. Therefore, the grading for policies and procedures was Robust.

2. Resources:

- The facility assigned one manager to oversee the implementation of the subcontracting and home-working management procedure.
- The assigned person was aware of the relevant responsibilities, and had necessary skills and seniority to manage the sub-contracting and home-working issues. The facility was no backup person for this code area to deal with the situation when the manager was absent (such as being on long leave/on business or for resignation). Therefore, the grading for resource was Some Improvements Recommended.

3. Communication and Training:

- The facility provided effective training and communication on the sub-contracting and home-working management procedure to all relevant workers, including the manager, supervisors, administration staff and normal production workers etc.
- The training content was updated according to need and the procedure for this was documented.
- The interviewed employees, managers and supervisors knew the sub-contracting and home-working management procedure clearly. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility had mechanism in place to monitor its adherence to the policy on subcontracting and home-working. All processes were completed in the facility.
- The facility had established a system in place to assess working conditions at subcontracted sites which including prior assessments and periodic assessments of commencement of service, investigation and remediation of identified problems.
- The facility will conduct annual compliance assessment for its subcontractor and home workers, and the facility will require the corrective and preventive action plans if any violation was found. The facility had also conducted management review to ensure long-term compliance in the future. Therefore, the grading for monitoring was

Management systems

Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had established a written policy to ensure sub-contracting would not be used unless previously agreed with the main clients, and the policy stated that the facility would maintain up-to-date records relating to sub-contracted work, and have systems in place to assess working conditions at sub-contracted sites.
2. No subcontractor was used by this facility.
3. There was no home-working used by this facility.

Evidence examined:

Policy and management procedure on sub-contracting.
Production records.
On-site observation.
Management and employees' interview.

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
The facility did not buy product or service from supplies that use homeworkers.

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 concern about unrecorded work or undeclared sub-contracting on site, giving consideration to the capacity of employees.

[← Code area 8.A](#)

[Code area 9 →](#)

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	Some Improvements Recommended
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

Management systems

Explanation for management systems grades

1. Policies and Procedures:

- The facility has established an anti-harsh or anti-inhumane treatment policy that clearly outlines the prohibition of physical abuse, threats of physical abuse, sexual or other harassment, verbal abuse, and other forms of intimidation.
- The facility has also established a disciplinary procedure for employees' mis-behaviour which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure.
- These policies and procedures would be updated if relevant laws and regulations are updated to ensure long-term compliance in the future. Therefore, the grading for policy and procedures was Robust.

2. Resources:

- One manager was responsible for implementing and enforcing the anti-harsh or anti-inhumane treatment policy, ensuring that all employees are aware of and comply with its provisions. However, no back-up person was in place for interim responsibility in the case of position change or absence. Therefore, the grading for resources was Some Improvements Recommended.

3. Communication and Training:

- The facility provided effective training and communication on the anti-harsh or anti-inhumane treatment policy and the disciplinary procedure to all relevant workers, including the manager, supervisors, administration staff and normal production workers etc.
- Employee interview confirmed that they were aware of anti-harsh or inhumane treatment policy and disciplinary procedure, and the grievance mechanisms were legitimate, accessible to all, predictable and equitable.
- The relevant policies and procedures were written in the local language (i.e. Chinese) and posted in the notice boards to let the workers view anytime. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility monitored compliance with the anti-harsh or anti-inhumane treatment policy. The facility had implemented a formal process for employees to report grievances (concerns, complaints, or problems) without fear of retaliation. The grievance mechanism was legitimate, accessible, predictable, equitable, transparent, rights-compatible, continuously improving and based on engagement and dialogue.
- The facility conducted a risk assessment on harsh or inhumane treatment, including gender-based violence and harassment to identify where hazards may be more likely to occur.
- The facility also conducted the internal social compliance audit once per year, which covered the subject of no harsh or inhumane treatment requirements, and the results were reviewed and acted upon by management. The requirements of no harsh or inhumane treatment were implemented and controlled effectively. The monitoring

Management systems

ensured sufficient management of workplace requirements on an ongoing basis. Therefore, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current system: 1. The facility established the anti-harsh or anti-inhumane treatment policy. The policy stated that physical abuse or discipline, gender-based violence, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. 2. The facility established a disciplinary procedure for employees' misbehaviors which included oral warning, written warning and finally termination. 3. As per employee interview, the anti-harsh or anti-inhumane treatment policy and disciplinary procedure were communicated to the employees through regular trainings. 4. As per employee interview, there was an internal process for grievance, where employees can report any grievances (harassment, gender-based violence, bullying, discrimination etc.) and any received complaint would be handled by management. The grievance mechanisms were legitimate, accessible and equitable. 5. The risk assessment for harsh or inhumane treatment was gone through consultation with workers and their representatives, include a review of internal documents, such as grievances raised or staff turnover, and assessed the workplace for hazards, and updated on a regular basis. Evidence examined: Anti-harsh or anti-inhumane treatment policy and disciplinary procedure. Training records. Grievance handling procedure. Risk assessment. On-site observation. Management and employees' interview.		

[← Code area 8.A](#)

[Code area 10.A →](#)

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
	The grievance process is available to all workers
	The grievance process is available to members of the local community
What type of grievance mechanism(s) are available?	The facility provided a grievance mechanism to employees (such as worker representatives and suggestion box) to report any violations of Labour standards and H&S or any other grievances. And the reporter would be confidential for all reporters.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

[← Code area 9](#)

[Code area 10.A →](#)

10.A. Environment 2–Pillar

Management systems

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

Management systems

Explanation for management systems grades

1. Policies and Procedures :

- The facility had the environmental policy which was endorsed by the facility manager.
- The environmental policy included commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders, and stipulated that the facility will meet the legal environmental laws, save energy and natural resources, reduce pollution, enhance biodiversity protection and sustainable development.
- The facility had the environmental management procedure, which stated how to achieve the environmental goals. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. Therefore, the grading for policy and procedures was Robust.

2. Resources:

- One manager was responsible to oversee the implementation of the environmental policy and the environmental management procedure.
- The manager was awareness of the significant environmental impact of their site and its processes and was aware of the local, regional and national environmental laws relating to the site, and have clear processes around how these laws are updated and communicated. However, through the analysis of structure, apart from the manager, there was no enough employees in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- The facility provided training to its employees including the manager, supervisors, office staff and normal production workers etc. on environmental laws, regulations, environmental policy, and the environmental management procedure.
- The training records were in place and auditor can be triangular to confirmed that the facility had conducted the training and the training was carried out as planned.
- The interviewed workers, managers and supervisors knew the environmental policy and the environmental management procedure clearly. Therefore, the grading for communication and training was Robust.

4. Monitoring:

- The facility effectively monitors the environmental requirements in accordance with the policies and procedures.
- Negative environment impacts of operations and supply chain was conducted and the facility had established a system that prevent, mitigate or remedy the impacts of their own operations.
- A resource targets were established and the facility developed a plan to reach them.
- The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites annually.

Management systems

- The facility conducted the internal social compliance audit once per year, which covered the subject of the environmental requirements, and the results were reviewed and acted upon by management to ensure long-term compliance in the future. Therefore, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section

Current Systems:

- 1.The facility had written environmental policy. The valid environmental certificates and reports, e.g. Environment Impact Assessment Approval, and the monitoring testing report for pollutants.
- 2.The facility conducted regular environment protection trainings for all employees.
3. Through viewing the local government websites and interviews with factory management, it was confirmed that the facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.
4. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites and processes and was aware of the significant environmental impact of its site and its processes.
5. The facility had not been subjected to (or pending) any fines/prosecutions for noncompliance to environmental regulations.
- 6.The facility could provide the duplicated form for transferring hazardous waste to prove that they had transferred the hazardous waste to the qualified unit, the hazardous wastes, including waste empty containers with paint and waste paint slag, were generated from silk screen printing workshop.

Evidence examined:

1. The local and national environmental related laws.
2. The monitoring testing report for pollutants
3. The facility's end clients' environmental requirements; environmental training records.
4. Documentation about use and discharge of natural resources.
5. Continuous improvement plan in the environmental performance.
6. Environmental procedure and records (e.g. electrical bill, waste bill, waste list and collection records).
7. Appointment paper of environment responsible person.
8. Facility tour, Interviews with facility management and non-management workers.
- 9.Duplicated forms for transferring hazardous wastes.

10.A. Environment 2-Pillar

Data points

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

No

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

The facility did not have environmental or energy management certificate.

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

No

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

No

[← Code area 10.A](#)

[Code area 10.B →](#)

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current systems: 1. The facility was aware of their clients' environmental requirements and they had established a system to monitor to meet these requirements. 2. The facility had an environmental policy, covering their environmental impact, which was communicated to all appropriate parties, including its own suppliers. The facility had communicated policies and processes, endorsed at the highest level, that includes commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders. 3. The facility measures and monitors its energy usage. The facility monitors electricity monthly. Water usage, water waste and all other waste were monitored quarterly and a matrix report was kept on file. 4. The facility had set resource-use targets and establish a plan to reach them. 5. The facility conducted the training for all employees on the avoidance of environmental impact. The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents. 6. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites and processes and was aware of the significant environmental impact of its site and its processes. 7. The facility had not been subjected to (or pending) any fines/prosecutions for non-compliance to environmental regulations. Evidence examined: 1. Significant environmental impacts risk assessment documents. 2. Energy bills 3. Water bills 4. Renewal energy specification 5. Environment training records and materials. 6. Site tour 7. Management interview and employees' interview		

[← Code area 10.A](#)

[Code area 10.C →](#)

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Sustainable material sourcing Switching to renewable energy sources 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 for managing 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 increase low-carbon energy consumption or production
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))?	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?	Not Applicable

Usage/discharge analysis

[← Code area 10.A](#)

[Code area 10.C →](#)

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	0	0
Total electricity consumption from renewable sources (kWh)	146,046	68,691
Sources of renewable energy used	Utility provider	Utility provider
Types of renewable energy used	Hydroelectric	Hydroelectric
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	0	0
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)	6,654	3,109
Water discharged	municipal drainage pipeline	municipal drainage pipeline
Water volume discharged (m3)	6,654	3,109
Water volume recycled (m3)	0	0
Total waste produced (mt)	10.8	10

[← Code area 10.B](#)
[Code area 10.C →](#)

Total hazardous waste produced (mt)	0.8	1
Waste to recycling (mt)	0	0
Waste to landfill (mt)	0	0
Waste to other (mt)	10	9
Total product produced (mt)	8,400	6,000

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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems

[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1. Policies and Procedures :

- The facility had established policies and procedures on Business ethics. Responsibilities and processes to implement policies and procedures are clear.
- The facility has also established a confidential whistleblowing procedure.
- These policies and procedures would be updated if relevant laws and regulations are updated to ensure long-term compliance in the future. So the grading for policy and procedures was Robust.

2. Resources:

- The facility assigned one manager to oversee the implementation of the business ethics management procedure.
- This manager was awareness of the business ethics of their site and its processes and was aware of the local, regional and national business ethics laws relating to the site, and have clear processes around how these laws are updated and communicated.
- However, through the analysis of structure, apart from the manager, no written appointment was in place for interim responsibility in the case of position change or absence. Therefore, the grading for Resources was Some Improvements Recommended.

3. Communication and Training:

- The facility provided training to its employees including the manager, supervisors, administration staff and normal production workers etc. on business ethics laws, regulations, business ethics policy, and the business ethics management procedure.
- The training records was in place and auditor can be triangular to confirmed that the facility had conducted the training and the training was carried out as planned.
- The interviewed workers, managers and supervisors knew the business ethics policy and the business ethics management procedure clearly. So the grading for communication and training was Robust.

4. Monitoring:

- The facility had monitored the Business Ethics requirements normally. The facility established confidential reporting channels, including grievance boxes, hotlines, and other accessible reporting mechanisms, for employees and suppliers' employees to confidentially report suspected violations of business conduct.
- This setup facilitated monitoring and early detection of unethical practices, encouraging a culture of transparency and accountability. The facility assessed the risks of bribery, corruption or any fraudulent or unethical business practices and implemented measures to mitigate these risks.
- The facility conducted the internal social compliance audit once per year, which covered the subject of the environmental requirements, and the results were reviewed and acted upon by management to ensure long-term compliance in the future. So the grading for monitoring was Robust.

[← Code area 10.B](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	Current Systems: 1.The facility had policy and procedures pertaining to anti-bribery, anti-corruption, or unethical Business. 2.One Management was appointed to be responsibility for communicating, deploying and monitoring the standards concerning business ethics. 3.Through management interview, it was noted that the facility managements were aware of legal and clients' business ethics requirements. 4.The facility communicated this business ethics policy to all employees through internal training. 5.The facility communicated this business ethics policy to its suppliers through annual meeting. 6.Employees or suppliers could report business ethics issues to the highest-level management through hotline or suggestion box. 7.The facility had received and read the Business Ethics policy of the audit company and that facility practices were conducted without any corruption or bribery. 8.The facility required their suppliers to sign written commitments to ensure the Business Ethics regulations to be understood and followed. 9.No evidence that the facility had been subjected to any fines/prosecutions for noncompliance to Business Ethics regulations. Evidence examined: 1.Facility policy and procedures on anti-bribery, anti-corruption, or unethical Business. 2.Appointed letter. 3.Training records and training material in past one year. 4.Management interview 5.Employee interview 6.Suppliers' written commitments 7.On site observation		

[← Code area 10.B](#)

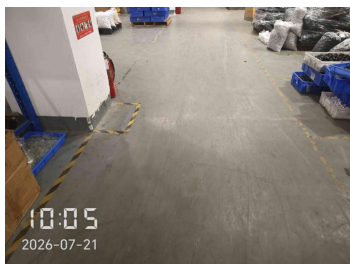
10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
Provide any certified anti-bribery management systems for the site	The facility did not obtain any recognized certificate for anti-bribery Management System.

[← Code area 10.C](#)

Attachments



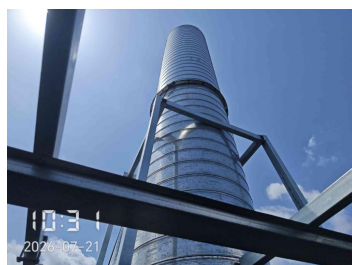
[Aisle.jpg](#)



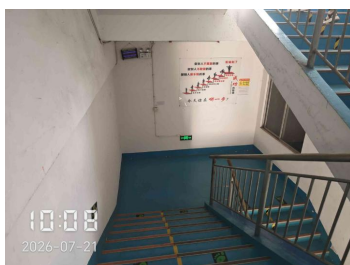
[Assembling.jpg](#)



[Attendance record system.jpg](#)



[Environmental protection facility.jpg](#)



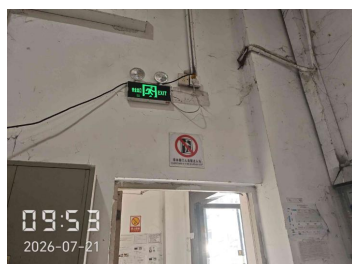
[Evacuation direction and emergency lighting in staircase.jpg](#)



[Chemical without secondary container.jpg](#)



[Evacuation map.jpg](#)



[Emergency lighting and exit sign.jpg](#)



[Electricity box.jpg](#)



[Chemical with secondary container and safety label.jpg](#)



[Eye washing station.jpg](#)



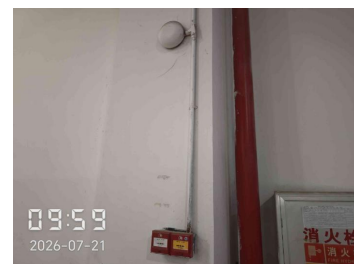
[Facility gate.jpg](#)



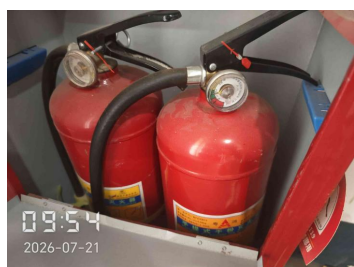
[Facility name.jpg](#)



[Finished goods warehouse.jpg](#)



[Fire alarm.jpg](#)



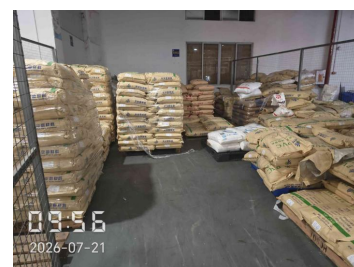
[Fire extinguishers.jpg](#)



[Fire hydrant.jpg](#)



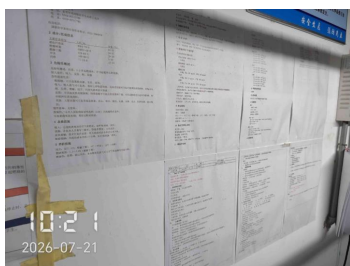
[First aid box.jpg](#)



[Material warehouse.jpg](#)



[No smoking sign.jpg](#)



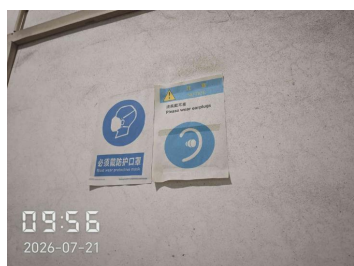
[MSDS posted.jpg](#)



[Injection.jpg](#)



[Packing.jpg](#)



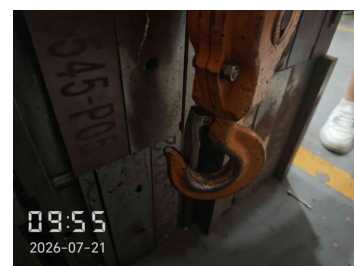
[PPE reminder.jpg](#)



[Production building.jpg](#)



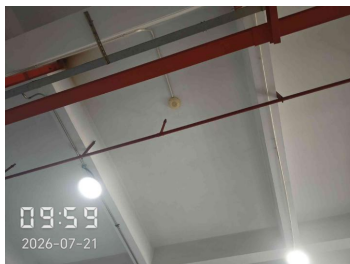
[Pulping.jpg](#)



[Production machine with protective equipment.jpg](#)



[Rotation.jpg](#)



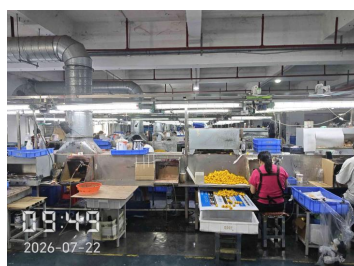
[Sprinkler and smoke detector.jpg](#)



[Spray painting 1.jpg](#)



[Safety shoes for molding loading and unloading employee.jpg](#)



[Spray-painting2.jpg](#)



[Suggestion box.jpg](#)



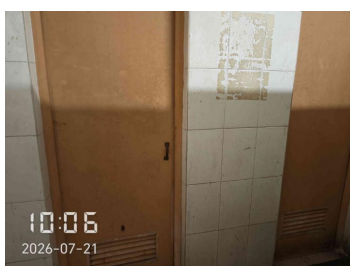
[Tempo printing.jpg](#)



[Water supply.jpg](#)



[Trimming.jpg](#)



[Toilet.jpg](#)



[Activated carbon mask used by tempo printing employee.jpg](#)



[Rubber gloves and activated carbon mask used by employee.jpg](#)