Sedex Members Ethical Trade Audit Report

Version 7

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

Contents

Audit content

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

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

2-pillar audits include:

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

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

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

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

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

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Findings →

Audit details

Site details

Sedex site reference	ZS1000006	**Site name**	MEI KAI INDUSTRIES LTD
Business name	MEIKAI INDUSTRIES LTD.	**Site address**	63 Wangxin Road, Zhouwu Industrial, Dongcheng District, Dongguan City , Guangdong Province, China DONGGUAN CN 523118

Audit details

Sedex company reference	ZC1089476	**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	2026-04-21	**Audit conducted by**	Benny Chen
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

	Day 1		Day 2
In	08:50	In	09:00
Out	17:00	Out	13:30

← Contents

Findings →

Audit type	Periodic
Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Mr. Chen Zhizhong / GM
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 worker union in the facility.		
Reason for absence during the audit	There was no worker union in the facility.		
Reason for absence at the closing meeting	There was no worker union in the facility.		

← Contents Findings →

SMETA declaration

Auditor team

SMETA declaration	I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual. 1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform. 2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post–audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	This audit is semi-announce audit with the scheduling window from 20/04/2026 to 20/05/2026.

Lead auditor	Benny Chen	**APSCA Number**	21700355
Additional auditor			
Date of declaration	2026-04-22		

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	Mr. Chen Zhizhong
Title	GM
Date of declaration	2026-04-22

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC ZAF601392850
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601392849

Management systems

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

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← Summary of findings   Site details →

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

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

Site details

Company and site details

Sedex company reference	ZC1089476	
Sedex site reference	ZS1000006	
Company name	MEIKAI INDUSTRIES LTD.	
Business ownership type	GOODS	
Site name	MEI KAI INDUSTRIES LTD	
Site name in local language	mandarin	
GPS location	**GPS address**	No. 63, Wangxin Road, Zhouwu Industrial, Dongcheng District, Dongguan City, Guangdong Province, China./中国广东省东莞市东城区周屋工业区王新路63号
	Coordinates	Latitude: N 23°4′8.47″ Longitude: E 113°49′5.19″
Is the worksite in a remote location, far from habitation?	No	
Site contact	**Contact name**	Mr. Chen Zhizhong
	Job title	General Manager
	Phone number	0769-22699268
	Email	sunny@meikai.com.cn
Applicable business and other legally required business license numbers and documents	Business license No.: 91441900722910866Y Valid Date: 6th April 2000 to long term	

← Management systems

Worker analysis →

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	**Primary**	Manufacture of made-up textile articles, except apparel
	Secondary	
	Other	
Product type	Home textiles	
Process overview	The main products manufactured by the facility was Home textiles. The main production processes are listed as follows: Cutting, printing, sewing, inspection and packing. The main equipment: Cutting machine: 3 sets, printing tables: 11 sets, Sewing machines: 150 set.	
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?	12000m²

← Management systems

Worker analysis →

Site scope

Building 1	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	4
	Description of floor activities	The 1/F was used as office, cutting and finished goods warehouse; The 2/F was used as sewing, inspection and packing; The 3/F was used as printing; The4/F was used as warehouse.
Building 2	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	1
	Description of floor activities	Warehouse
Building 3	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	1
	Description of floor activities	Warehouse
Building 4	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	1
	Description of floor activities	Security room

← Site details

Worker analysis →

Site scope

Building 5	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	1
	Description of floor activities	Chemical warehouse
Building 6	**Last construction works on site**	2001
	If building is shared, provide details	N/A. The building was not shared.
	Number of floors	3
	Description of floor activities	The 1/F was used as kitchen and canteen; The 2/F to 3/F were used as bedrooms.
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?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite

← Site details

Worker analysis →

Worker accommodation and transport

Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site
Was all accommodation (whether directly or via third parties, off or onsite) included in this audit?	All One 3-storey building used as canteen, kithcen and bedrooms was included in this audit.
Does the site organise worker transport to the worksite?	Not provided No transport was provided for any employees, and no such legal requirements.

Work patterns

Approximate workers on site per month (% of peak)	**January**	80-90%	**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

← Site details

Worker analysis →

Site assessments

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 was not assessed for 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 Human Rights Impact Assessment (HRIA) was not conducted within the last three years at this site.

← Site details

Worker analysis →

Worker analysis

Gender disaggregated data available	Men and women

Worker totals

	Men		Women		Other		Total	
Number of workers	38	*(48.7%)*	40	*(51.3%)*	-	-	78	*(100%)*

Workers by type

	Men		Women		Other		Total	
Permanent workers (employees)	38	*(48.7%)*	40	*(51.3%)*	-	-	78	*(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	38 *(48.7%)*	40 *(51.3%)*	- -	78 *(100%)*
International migrant workers	0 -	0 -	- -	0 *(0%)*
Total migrant workers	38 *(48.7%)*	40 *(51.3%)*	- -	78 *(100%)*

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from	Hunan, Guangxi and Henan province of China.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	0 -	0 -	- -	0 *(0%)*
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	No peak month 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	52%	48%	-	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	38	*(48.7%)*	40	*(51.3%)*	-	-	78	*(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	38	*(48.7%)*	40	*(51.3%)*	-	-	78	*(100%)*
Other	0	-	0	-	-	-	0	*(0%)*

* % of total workforce

If other payment cycle entered, please provide details	N/A

People in managerial, supervisorial and administrative roles

	Men		Women		Other		Total
Employees in management positions	1	*(50%)*	1	*(50%)*	-	-	2
Supervisors or team leaders	7	*(70%)*	3	*(30%)*	-	-	10
Administrative staff	2	*(66.7%)*	1	*(33.3%)*	-	-	3

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	One group of 5 employees
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) No compliant was found.
What did the workers like the most about working at this site?	Communication (e.g. from management) Equal opportunities Freedom of movement Hours worked, rest days or breaks Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.) Social dialogue (e.g. freedom to associate) Training and development Work environment – comfort (e.g. temperature, noise or dust levels)
Additional comments	Total 10 employees were selected for interview. 5 employees were selected for the individual interview and 5 employees in 1 group was selected for the group interview. In addition, one management for environment and ethic management was interviewed additionally. Through employees' interviews, all employees were satisfied with the facility's working conditions, salary level and management, no negative information was raised.
Attitude of workers' committee/union representatives	There was one worker committee with 2 worker representatives in the facility. One worker representative was selected for interview who was favorable with the management and facility environment, and no negative information was raised.
Attitude of managers	The management was cooperative throughout the process of the audit. All documentations requested were provided for review timely. All areas were allowed access for tour and a private room was provided for employees' interview. During closing meeting, the management was receptive to all findings and stated that they would make improvement for the raised findings continually.

← Worker analysis

Measuring workplace impact →

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

← Worker analysis

Measuring workplace impact →

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

← Worker interviews

Measuring workplace impact →

Measuring workplace impact

Gender disaggregated data available	Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	1.0%	-	2.0%
Last full calendar year (2025)	1.0%	2.0%	-	3.0%
Previous full calendar year (2024)	2.0%	2.0%	-	4.0%

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

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	2.0%	1.0%	-	3.0%
Last full calendar year (2025)	2.0%	2.0%	-	4.0%
Previous full calendar year (2024)	3.0%	2.0%	-	5.0%

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 Management had kept a record of accidents and no accident was happened during the past 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%

← Worker interviews

Code area 0 →

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

Previous full calendar year (2024)	0.0%	0.0%	-	0.0%

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

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

← Measuring workplace impact

Code area 0 →

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current Systems: 1. The facility allowed the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and the facility itself (including outbuildings and accommodation). 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. Health and safety manual 2. Personal files including a copy of employee’s contract 3. Payroll records were provided for review. 4. Attendance records were provided for review. 5. Management interview and employee interview

← Measuring workplace impact
Code area 1 →

0. Enabling accurate assessment

Data points

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

← Code area 0

Code area 1 →

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 0

Code area 1.A →

Management systems

Explanation for management systems grades	1. Policies and Procedures : • The facility had established a series of policies on forced labor, human trafficking, debt slavery, or any other form of modern slavery which stated that the facility did not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice, etc. • All policy and procedure serves as a guiding principle for all employment practices within the facility and these policies and procedures were reviewed and updated annually. • The facility will update the policy and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future. So the grading for policy and procedures were Robust. 2. Resources: • The general manager designated Mr. Chen Zhizhong/GM to implement the policy of prohibiting forced, bonded and prison labour. • Mr. Chen Zhizhong/GM was aware of his responsibilities and has the seniority to manage the workplace requirements. She had regular meetings with the related staffs to discuss how to implement this policy. • However through the analysis of structure, apart from Mr. He Yong/Manager, no written appointment was in place for interim responsibility in the case of position change or absence. So the grading for resources was Some Improvements Recommended. 3. Communication and Training: • There was one written training program at site. The facility provided effective training and communication on the policy of prohibiting forced, bonded and prison labour and the recruitment procedure to all relevant employees, including the managers, supervisors, administration staff and normal production employees. • Special training was provided for employees in key positions and all related employees have engaged in the training in time. • The facility incorporates relevant training into its operations and the training materials and contents are updated if needed. • Training records were kept for review, and through employee interview, all employees had clear understanding of the policies and procedures. So, the grading for communication and training was Robust. 4. Monitoring: • The facility effectively monitors the facility recruitment process in accordance with the policies and procedures and had established systems and methods for identifying and preventing modern slavery or human trafficking . • The policy requires the Human Resources Department to conduct training quarterly for HR employees to enhance recruiters' awareness of forced labor, human

← Code area 0　　Code area 1.A →

Management systems

	trafficking,debt slavery, or any other form of modern slavery, and the training record should be maintain. • Management would conduct meets regularly and proactively to improve issues arising from the recruitment process to preventing forced labor, human trafficking, debt slavery, or any other form of modern slavery and maintaining transparency in its employment practices to ensures sustainable compliance with all workplace requirement in this code area now. So, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 0

Code area 1.A →

Systems and evidence examined to validate this code section	Current systems: 1. The factory had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the factory did not require deposit or withhold workers' ID cards; the factory did not limit the workers' freedom; the factory prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc. 2. The factory had a written recruitment procedure which stated that the workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers. 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. 4. The rules for security guards stated that the responsibilities of security guards were only protecting the safety of the factory's personnel and properties, and security guards were not allowed to abuse workers and conduct body search. Evidence examined 1. Policy of prohibiting forced, bonded and prison labour 2. Recruitment procedure 3. Employing handbook 4. Personnel files and labour contracts 5. Resignation records 6. Rules for security guards 7. Onsite observation, management and worker interview

← Code area 0

Code area 1.A →

1. Employment is freely chosen

Data points

If required under local law, is there a published ‘modern slavery’ or similar statement?	No
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 established a well-documented policies and procedures regarding Responsible recruitment and entitlement to work. This policy stipulated that the facility only employed individuals who possessed the legal right to work, ensuring compliance with local labor laws and regulations. • The policy 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. • The facility did not use labour providers/on-site subcontractors agencies/recruitment partners in current. But according to the policies and procedures, the labour providers or on-site service subcontractors should follow the same requirements to ensure responsible recruitment and entitlement to work. • The facility will update the polices and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future. So the grading for policy and procedures were Robust. 2. Resources: • Based on the appointment documents, Mr. Chen Zhizhong/GM had been appointed to oversee and implement the recruitment procedure covering the content of responsible recruitment and entitlement to work. • Mr. Chen Zhizhong/GM was aware of her responsibilities and regularly trains HR employees to raise their awareness of recruitment fee monthly. • However through the analysis of structure, apart from Mr. Chen Zhizhong/GM, no written appointment was in place for interim responsibility in the case of position change or absence. So 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. • The facility would ensure all stakeholders are aware of the facility's policies and the importance of adhering to legal requirements for employment. • Special training was provided for employees in key positions and all related employees have engaged in the training in time. • The facility incorporates relevant training into its operations and the training materials and contents are updated if needed. • Training records were kept for review, and through employee interview, all employees had clear understanding of the policies and procedures. 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.

← Code area 1 Code area 2 →

Management systems

• 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. The responsible recruitment and entitlement to work requirements were implemented and controlled effectively which could ensures sustainable compliance with all workplace requirement in this code area now. So, the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

← Code area 1

Code area 2 →

Systems and evidence examined to validate this code section	Current systems: 1. The facility had a written policy of recruitment and entitlement to work, this policy stated that the hold labour 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 Mr. Chen Zhizhong/GM to 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 93 employees including 2 management employee and 91 non-management employees, 45 females and 48 males working in the audited facility at present. 14 employees (15%) were local employees from Guangdong province of China, 79 employees (85%) were domestic migrant employees from Guangxi, Henan and Hunan Province of China. All employees had the proper legal rights to work in this region. The youngest was 33 years old. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes. No agency employee or foreign employee was used by the facility. 5. There were 4 new hired employees in the last 12 months. At the same time, 85% of the employees were domestic migrant employees. No foreign migrant worker were used by the facility. The facility had conducted due diligence regarding recruitment fees and related costs, no recruitment fees or related costs were 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

← Code area 1 Code area 2 →

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

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

← Code area 1.A Code area 2 →

Percentage of workers that are migrant	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	Guangxi, Hunan and Henan province of China.

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, who have paid any recruitment fees and associated costs. Record fees and costs in the following tables.	China

New workers totals

	China
Number of workers	4

Recruitment fees

	China
Payments made in exchange for work	-

← Code area 1.A

Code area 2 →

Recruitment fees

Recruitment services which are not optional	-
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

← Code area 1.A

Code area 2 →

Illegitimate costs

Payments made to illegitimate actors involved in the recruitment process	-
Payments made to illegitimate actors during the course of employment	-
Other or uncategorised	-

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

	China
Yes - to a recruiter	-
Yes - to the audited site	-
Yes - to a third party	-
No - could not verify	✓

Highest total costs incurred

	China
Currency	CNY
Highest total costs incurred	0.0

Additional comments All employees did not need to pay for any recruitment fee during the whole recutirement process.

← 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

← Code area 1.A

Code area 3 →

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' organisation, etc. • This policy was updated regularly and signed by General Manager and posted on the employee noticeboard. So the grading for policy and procedures were Robust. 2. Resources: • Mr. Chen Zhizhong/GM was assigned to oversee the implementation of the procedure of freedom of association and right to collective bargaining. • Mr. Chen Zhizhong/GM has established regular contact with workers' representatives and had provided meeting rooms for workers' representatives to hold regular meetings if need. • However through the analysis of structure, apart from Mr. Chen Zhizhong, no written appointment was in place for interim responsibility in the case of position change or absence. So 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. • Training records were kept for review, and through employee interview, all employees had clear understanding of the policies and procedures. So, 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 top management, where employees could voice their concerns and suggestions, as well as a suggestion box where employees could submit their documented issues anonymously. • Mr. Chen Zhizhong/GM 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. So, the grading for monitoring was Robust.

← Code area 1.A

Code area 3 →

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 freedom of association and right to collective bargaining. The policy stated that the workers were free to form or join trade union or workers' organisation and enjoyed the right to collective bargaining, and nobody would be treated differently if they were members of the trade union or workers' organization, etc. 2. The facility had a written policy about suggestions and appeals, which stated that workers could raise their suggestions, concerns or appeals through committee representatives, telephone, suggestion box, and their team leaders or above; or through trade worker representatives and worker representatives who would take it to the management. 3. One worker committee with 6 worker representatives was established in the facility. One worker representative was present at the opening meeting, the audit and the closing meeting. 4. The interviewed workers confirmed that they were free to join workers' organization and enjoyed the right to collective bargaining. 5. The interviewed worker representative confirmed that the facility did not interfere in their activities and did not discriminate them. 6. The response records for workers' suggestions and appeals were available for review. 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 worker

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

Data points

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

← Code area 2

Code area 3 →

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

[← Code area 2] [Code area 3 →]

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 2

Code area 4 →

Management systems

Explanation for management systems grades	1. Policies and Procedures : The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The facility had a Health and Safety Policy outlining the commitment to maintaining a safe and healthy work environment for all workers. A Health and Safety management procedure was also in place to ensure compliance with the health and safety requirements. Responsibilities and processes the implement policy and procedure were clear. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. So the grading for policy and procedures were Robust. 2. Resources: A H&S committee was established in the facility, with an appointed management responsible for addressing the facility's health and safety issues. The appointment letter was available for review. The responsibilities of management responsible were clearly defined. The management of work safety in the facility obtained a qualification certificate in safety production knowledge and management skills. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvements Recommended. 3. Communication and Training: The factory provided effective training and communication on the Health and Safety Policy and the Health and Safety management procedure to all relevant workers, including the managers, supervisors, sales, purchasing, logistics staff, normal production workers and outsource workers etc. The training content was updated according to need. The trainings were provided to workers upon hiring and annually afterwards. 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. The interviewed workers, managers and supervisors knew the Health and Safety Policy and the Health and Safety management procedure clearly. So the grading for communication and training was Robust. 4. Monitoring: The factory manager supervised the production health and safety, and the department leaders were responsible for the specific implementation. The health and safety committee which consisted of members from different departments carried out comprehensive inspections periodically or irregularly, and conducted the meeting regularly to talk about the health and safety topics. The factory manager and the department leaders cooperated and participated to ensure the health and safety of the production site. The factory conducted the risk assessment regularly to consider the prevailing knowledge of the industry and of any specific hazards. The factory took adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. The facility would take appropriate and

← Code area 2 Code area 4 →

Management systems

	preventative action to stop a recurrence of the same or similar problem. The factory conducted the internal social compliance audit once per year, which covered the subject of health and safety; the factory had corrected all health and safety violations immediately, the monitoring of procedures could ensure sufficient management of workplace requirements on an ongoing basis. So the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 2

Code area 4 →

Systems and evidence examined to validate this code section	Current systems: 1. General Health and Safety management • Mr. He Yong/Manager was responsible for the Health & Safety management in the facility. • Potable water was freely available in all areas. • Sufficient clean toilets segregated by gender were available at all times to all employees. • Ventilation, temperature and lighting were adequate for the production processes. • The fire certificates and construction safety testing certificates for the buildings were provided for review. • Proper PPE (Personal Protective Equipment) was provided for related employees. 2. Fire Safety • There were at least 2 exits from each work area and these exits were clearly marked. • Fire-fighting equipment was adequate and the checks were up-to-date. • Evacuation plans were posted in all areas and understood by all employee interviewed. • Fire drills were conducted for all employees at production and dormitory area twice per year, and the related records were provided for review. • Fire training was provided to all employees. • All fire exits were unlocked during work time. • The width of safety exits was sufficient. • Fire alarm, fire hydrant and fire extinguishers were installed at each floor of the production building. 3. Electrical safety • All electrical equipment was maintained in a good condition, such as sockets, plugs, switches and main fuse boards. • Electrician license was provided for review. 4. Medical services • There were adequate first aid kits in each production area and they were well stocked. • There were sufficient first aid personnel in this facility. 5. Chemical safety • MSDS was available for all chemicals used and stored on-site. • Safety label was available for all chemicals used and stored on-site. • Eye-wash station was installed for all sites with chemicals. • Secondary container was available for all chemicals used and stored on-site. 6. Kitchen and Canteen • The facility had provided food operation permit for review. • The facility had provided health certificate of the kitchen staff for review. Evidence examined:

← Code area 2 Code area 4 →

1. Health and safety policy
2. Training records
3. Fire licenses and construction safety certificates for buildings
4. Fire equipment maintenance records
5. Fire drill records

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?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	No
Who organises accommodation for workers?	The company owns or operates worker accommodation (onsite) Workers independently arrange their own accommodation
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
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 (e.g. floor added) for the facility building.
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

← Code area 3
Code area 5 →

Management systems

Explanation for management systems grades	1. Policies and Procedures : A written recruitment policy was in place, which stated that the age of all applicants should be verified before employment and applicants under the age of 16 would never be employed. A comprehensive age verification process was adopted, and verification documents of all employees were kept. There was no underage labor or juvenile in the facility, the facility had established written juvenile employee protection procedure and child labor remediation procedure to demonstrating preparedness to address any potential issues of child labor and juvenile. So the grading for policy and procedures were Robust. 2. Resources: The facility assigned Mr. Chen Zhizhong/GM to be responsible for implementation of the procedure of prohibition of using child labor. He was aware ofvthe responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvements Recommended. 3. Communication and Training: The facility provided effective training and communication on prohibition of using child labor procedure to all workers, managers and supervisors. Both orientation and refreshing training were conducted, and training content was updated according to need. During the employee interview, all related staff have good sense in Child labour shall not be used. Special training was provided to HR staff. So 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 conducted by the HR Supervisor 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. Managers conduct 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 3

Code area 5 →

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. There was a written recruitment procedure which stated that workers must present their ID cards for proof of age but only copies would be kept in the personnel files and the original ID cards would be given back to the workers; and the factory would never employ and use any child labour under the age of 16 years old. 2. There was a written juvenile worker and pregnant worker protection procedure although there was no juvenile worker or pregnant worker in the factory. 3. There was a written child labour remediation procedure though there was no child labour in the factory. 4. The written worker roster was available. 5. The worker' personnel files included recruitment date, a bio-data sheet, a recent photo and the age documentation (i.e. copy of the ID card). The ID card copy listed the worker's name, household address and the date of birth. The workers' personnel files showed that the youngest worker was 33 years old. 6. Management interview and worker interviews showed that the factory verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the factory would not recruit the applicant under the age of 16 years old. Evidence examined: 1. Recruitment procedure 2. Juvenile worker and pregnant worker protection procedure 3. Child labour remediation procedure 4. Worker roster 5. Personnel files 6. Management interview and worker interview

← Code area 3 Code area 5 →

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	0%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	33
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	No

← Code area 4

Code area 5 →

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 4 Code area 5.A →

Management systems

Explanation for management systems grades	1. Policies and Procedures : The facility has established and implemented a comprehensive wage & benefit policy along with controlling procedures. This policy outlined the minimum wage standards, overtime compensation rates and other employee benefits. The policy ensured that no monetary fines were used as disciplinary measures and prohibits any illegal deductions from employee wages. So the grading for policy and procedures is Robust. 2. Resources: Mr. Chen Zhizhong/GM 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 Mr. Chen Zhizhong/GM, no written appointment was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvements Recommended. 3. Communication and Training: Regular training was conducted to inform workers about the wage & benefit policy, including the minimum wage standards, overtime compensation rates, and other benefits. These training courses ensured that employees had a clear understanding of their employment conditions and rights related to wages and benefits. So the grading for communication and training is Robust. 4. Monitoring:The company monitored the implementation of procedures put in place to ensure ongoing compliance. The facility conducted an internal audit and management review to monitor the wage and benefits. The CAP would be adopted to ensure the non compliances are corrected timely. So, the grading for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC ZAF601392850

← Code area 4

Code area 5.A →

Systems and evidence examined to validate this code section	Current systems: 1. Wage & benefit policy and controlling procedure were established and implemented. 2. Wage & benefit policy and controlling procedure were communicated to the workers through regular trainings. 3. The local Minimum wage was set at RMB 2080 per month as equivalent to RMB 11.95 (2080/21.75/8) since 01 March 2025. The basic wage of all employees was set at RMB 2080 per month as equivalent to RMB 11.95 (2080/21.75/8) per hour, which meeting the legal requirement. 4. Wages and attendance records were kept and provided for review. 5. All employees were calculated by hourly rate. 6. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, it was confirmed that 1) The minimum wage paid by the facility was at the local minimum standard; 2) Based on the provided payroll records, the facility paid 150% of the normal wages for the extension of working hours on normal days, paid 200% of the normal wages for the extended hours on rest days and paid 300% of the normal wages for the extended hour on statutory holidays. 7. All workers were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid. 8. Benefits such as annual leave, sick leave, marriage leave, funeral leave, stoppage leave, paternity leave and child-bearing leave etc. were provided to relevant workers adequately. 9. All employees had participated in basic endowment insurance, unemployment insurance, maternity insurance, basic medical insurance and employment injury insurance. The facility had purchased commercial insurance (group personal accident insurance) for all 93 employees and the valid period is from 17 August 2025 to 16 August 2026. 10. The social insurance payments were passed on to the relevant authorities in a timely manner. 11. The workers' wages including normal wages and overtime wages etc. of one month was paid on or before the 30th day of the following month. 12. All workers were paid by bank transfer and each worker was given a pay slip and signed for their wages. 13. No monetary fine was used as disciplinary measure. 14. 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. 15. Wages were consisted with normal wage, holiday wage, overtime wage, full attendance allowance and position bonus.

← Code area 4 Code area 5.A →

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. Labour contracts for all workers (to examine agreed wage rates)
6. This is an annual audit, the previous audit was conducted on 15-16 April 2025. During this audit, payroll records from March 2025 to February 2026 and attendance records from 17 April 2025 to 22 April 2026 (the audit day) were available for review.
7. Social insurance payment receipts from the local authority
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. Worker interview and management interview.

← Code area 4

Code area 5.A →

Findings: non-compliances

ZAF601392850

Non-compliance

Due 2021-09-24

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

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

Description

Insufficient social insurance participated. Total 98 employees were hired by the facility, included 32 retirees hired to work. Thus total 66 employees were eligibility for social insurance in March 2025. Based on the social insurance records of March 2025, auditor found that 6 employees (9%) had not participated in basic endowment insurance, injury insurance, unemployment insurance, basic medical insurance, and maternity insurance.
Remark: The facility provided commercial injury insurance for all employees from 17 August 2024 to 16 August 2025.

社会保险参保不足。企业共有98名员工，其中含32名退休返聘人员。因此，在2025年3月，共有66名员工有资格参加社会保险。基于企业2025年3月社保记录，审核员发现有6名员工(9%)没有参加基本养老保险，工伤保险，失业保险，医疗保险和生育保险。
备注：企业为全部工人提供了商业意外保险，保险的周期为2024年8月17日至2025年8月16日。

Description (carried over)

Insufficient social insurance participated. Total 98 employees were hired by the facility, included 32 retirees hired to work. Thus total 66 employees were eligibility for social insurance in March 2025. Based on the social insurance records of March 2025, auditor found that 6 employees (9%) had not participated in basic endowment insurance, injury insurance, unemployment insurance, basic medical insurance, and maternity insurance.
Remark: The facility provided commercial injury insurance for all employees from 17 August 2024 to 16 August 2025.

社会保险参保不足。企业共有98名员工，其中含32名退休返聘人员。因此，在2025年3月，共有66名员工有资格参加社会保险。基于企业2025年3月社保记录，审核员发现有6名员工(9%)没有参加基本养老保险，工伤保险，失业保险，医疗保险和生育保险。
备注：企业为全部工人提供了商业意外保险，保险的周期为2024年8月17日至2025年8月16日。

Status

Closed (2026-04-21)*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

← Code area 5

Code area 5.A →

Corrective and preventative actions

The facility would ensure all employees participate in social insurance according to the Law.

Corrective and preventative actions (carried over)

The facility would ensure all employees participate in social insurance according to the Law.

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.

Evidence

No preview available

NC-Insufficient social insurance coverage.jpg

* PDF generated at 09:09 (UTC) on 28 Apr 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?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None
Where the site has undertaken a Living Wage gap analysis against a credible Benchmark which Benchmark have they used?	Full-Fledged Anker Methodology

Worker renumeration

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

Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly
Is actual wage data available on site for any of these options?	Monthly

← Code area 5 Code area 5.A →

Maximum legal working hours	**Max hours per day**	8.0
	Max hours per week	40.0
	Max hours per month	Non applicable
Actual required working hours	**Required hours per day**	8.0
	Required hours per week	40.0
	Required hours per month	176.0
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	14.0
	Max hours per month	56.0
Minimum legal wage	**Min per hour**	11.95
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2080.0
Actual minimum wage	**Actual per hour**	11.95
	Actual per day	95.6
	Actual per week	478.0
	Actual per month	2080.0

← Code area 5 Code area 5.A →

Minimum legal overtime wage	**Min per hour**	17.93
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable
Actual minimum overtime wage	**Actual per hour**	17.93
	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 February 2026 (current month); 10 samples from December 2025 (random month); 10 samples from August 2025 (random month).
Are there different legal minimum/ legally recognised CBAs wage grades?	No
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Meets legal minimum
Indicate the breakdown of workforce per earnings	All employees paid meet the legal minimum wage.
Are there any bonus schemes used?	Yes RMB 200 to 2100 as position bonus.

← Code area 5 Code area 5.A →

Were accurate records shown at the first request?	Yes
Were any inconsistencies found?	No

← Code area 5

Code area 5.A →

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section	Current systems: 1. The facility had established relevant policies and procedures on wage and benefit. 2. The facility assigned Mr. He Yong/Manager to responsible for implementation and she was aware the responsibilities. He had necessary skills and seniority to manage this issue. 3. The facility provided effective training and communication on wage and benefit procedure to all relevant workers, including managers and supervisors. Training content was updated according to need. 4. All employees' wages were calculated on a monthly rated basis. The living wage was calculated under full-fledged anke methodology, all employees were covered in the gap analysis. All employees were paid above the living wage. Evidence examined: 1. Local and national laws 2. Local living wage documents 3. Wages and benefits policy 4. Pay stubs 5. Payroll records 6. Employees' interview 7. Management interview

← Code area 5

Code area 6 →

6. Working hours are not excessive

Management systems

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

← Code area 5.A

Code area 7 →

Management systems

Explanation for management systems grades	1. Policies and Procedures : • The working hour policy was clearly mentioned in the "employee handbook" . which stipulated that the overtime was voluntary. • 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. • These policies and procedures were reviewed and updated annually and will be updated if relevant laws and regulations are updated. • However, the monthly overtime compliance was not included in the working hour controlling procedure. So the grading for policy and procedures was Some Improvements Recommended. 2. Resources: • According to the appointment letter, Mr. He Yong/Manager was assigned responsibility for implementation the voluntary overtime policy and the working time policy and controlling procedure. • Mr. Chen Zhizhong/GM understand his role and responsibilities and he had the necessary skills to implement the code area. • However through the analysis of structure, apart from Mr. Chen Zhizhong/GM, no written appointment was in place for interim responsibility in the case of position change or absence. So the grading for resources was Some Improvements 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 managers, supervisors, administration staff and normal production workers etc. • The facility had provide training records and training evidence for review and auditor can be triangular to confirmed it. • Gaps in communications and training implementation was observed and the training should be enhancement for isolated training topic i.e. overtime since employees believed that more overtime hours would increase their income. Therefore, the grading for communication and training was Some Improvements Recommended. 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.

← Code area 5.A

Code area 7 →

Management systems

	• 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, there is a declining trend in monthly overtime 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	NC ZAF601392849

← Code area 5.A

Code area 7 →

Systems and evidence examined to validate this code section	Current Systems: 1. Working time policy and controlling procedure were established and implemented in the facility. Overtime was voluntary. 2. The workers' attendances were recorded by face ID scanning attendance system and the shift start time and shift end time were recorded accordingly. 3. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week. 4. According to provided attendance records, the maximum overtime was 56 hours per month and records show that employees have at least 1 day off per week. 5. 0-2 overtime hour was arranged on normal working days in sample months. 6. In sampled months, the maximum weekly working hours were 54 hours. Evidence examined: 1. Working time policy and controlling procedure 2. Voluntary overtime policy 3. Labour contracts 4. Local and national laws 5. Training records about working time policy and controlling procedures 6. This is an annual audit, the previous audit was conducted on 15-16 April 2025. During this audit, payroll records from March 2025 to February 2026 and attendance records from 17 April 2025 to 22 April 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. 9. Worker interview and management interview.

← Code area 5.A

Code area 7 →

Findings: non-compliances

ZAF601392849

Non-compliance

Due 2021-09-24

Code area

6 Working hours are not excessive

Workplace requirement

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

Issue title

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

Description

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime of 10 out of 10 selected employees was 54 hours in December 2025 (random month) and the monthly overtime of 10 out of 10 selected employees was 56 hours in August 2025 (random month).

加班时间超过法规要求。通过文件审核，审核员发现在抽取的2025年12月（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为54小； 2025年8月（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为56小时。

Description (carried over)

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime of 10 out of 10 selected employees was 56 hours in February 2025 (current month), the monthly overtime of 10 out of 10 selected employees was 56 hours in November 2024 (random month) and of 10 out of 10 selected employees were 66 hours in June 2024 (random month).

加班时间超过法规要求。通过文件审核，审核员发现在抽取的2025年2月（当前月）的考勤中，10名随机抽取的员工中10人的月加班时间为56小, 时2024年11月（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为56小时； 2024年6月（随机月）的考勤中，10名随机抽取的员工中10人的月加班时间为66小时。

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

← Code area 6

Code area 7 →

Corrective and preventative actions

Root cause: It was caused by busy production and employees were willing to conduct more overtime for more overtime wages.
Corrective and preventative actions: 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.

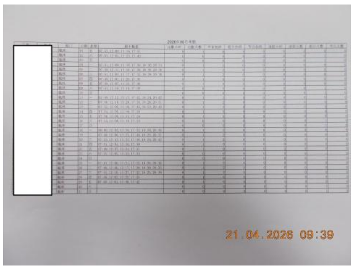
Corrective and preventative actions (carried over)

Facility would reduce the overtime hours to comply with the law. Facility would hire more employees to reduce the overtime hours to comply with the law.

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



Exceed montly overtime hours.JPG

* PDF generated at 09:09 (UTC) on 28 Apr 2026. View this finding on the Sedex platform for live updates and closure details.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Not applicable. The facility paid the wages to the employees according to the law requirement. 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.
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?	52.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	54.0
Maximum number of days worked without a day off in sample	6

← Code area 6

Code area 7 →

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 6

Code area 8 →

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. The responsibilities and processes to implement these policies and procedures were clear. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. So the grading for policy and procedures were Robust. 2. Resources: The facility appointed Mr. He Zhizhong/GM to be responsible for implementing and enforcing the antidiscrimination policy and procedure. The responsibilities of management responsible were clearly defined. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement 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. So the grading for communication and training was Robust. 4. Monitoring: The facility has implemented effective monitoring measures to ensure compliance with the anti-discrimination policy. The facility would take action or make changes to policies and procedures if necessary. The facility has an internal grievance process for the employees to report any discrimination cases and all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. The facility conducted the internal social compliance audit once per year, which covered the subjects of anti-discrimination policy and procedure, and the results were reviewed and acted upon by management. The anti-discrimination policy and procedure were implemented and controlled effectively and ensures sustainable compliance with all Workplace Requirement in this code area now. So the grading for monitoring was Robust.

← Code area 6

Code area 8 →

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 6

Code area 8 →

Systems and evidence examined to validate this code section	Current systems: 1. The factory had anti-discrimination and equity policy and procedure; 2. The regular trainings on anti-discrimination and equity were provided to the workers. 3. No worker was required to do the examination of the hepatitis B virus and HIV; 4. No female worker was required to do the examination of pregnant test; 5. Gender discrimination did not exist in the factory; both female and male workers were distributed in all types of work; 6. There was no evidence of sexual harassment; 7. 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' organisation membership or political affiliation was found; 8. According management and employee interview, all employees got equity approach regarding recruitment, training, development and promotion processes. 9. All interviewed workers spoke highly of the employer; 10. There was an internal grievance process, all sampled workers were aware of the grievance channels in case they encountered any discrimination cases and equity issue. 11. According management and employee interview, all employees got equity approach regarding recruitment, training, development and promotion processes. For instance, 1). Establish a scientific salary system (Determine the value of different positions through job evaluation and formulate reasonable salary standards in combination with the market salary level). 2). Set clear assessment criteria (Define work objectives and assessment indicators to ensure that employees clearly understand how they will be evaluated). 3). Establish a transparent promotion mechanism (Clarify the promotion criteria and procedures, such as requirements in aspects like work performance, ability improvement, and teamwork, so that employees know that promotion is based on their own efforts and abilities). 4). Provide equal training and development opportunities. Evidence examined: 1. The anti-discrimination and equity policy and procedure; 2. The regular training records on anti-discrimination and equity; 3. The hiring and termination procedure, leave application records and employing handbook. 4. Payrolls 5. Attendance records 6. Termination records 7. Management interview and worker interview

← Code area 6

Code area 8 →

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	0%
Representation of women in managerial roles (ratio of women workers to women managers)	2%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	7%
Three most common nationalities in managerial and supervisory roles	All manager and supervisory was Chinese. There was no foreign migrant employee in the facility.

← Code area 7
Code area 8 →

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 7

Code area 8.A →

Management systems

Explanation for management systems grades	1. Policies and Procedures : The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory Responsibilities and processes to implement policies and procedures are clear. The facility has adopted a procedure of signing labor contracts with all employees, ensuring that the terms and conditions stated in the contracts comply with local laws. So the grading for policy and procedures were Robust. 2. Resources: The facility appointed Mr. He Zhizhong/GM to be responsible for the implementation of the policies and procedure of Regular employment. The responsibilities were clearly defined. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement Recommended. 3. Communication and Training: Orientation and refreshing training on the policies and procedure of regular employment were provided to workers, supervisors and managers, to ensure them understand their rights and responsibilities under the labor contracts, as well as the facility's policies regarding recruitment and employment practices. Special training was provided for all employees in key positions, through employee interview, all employees had a good understanding on recruitment process. So 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 prevent 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. So the grading for monitoring was Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 7 Code area 8.A →

Systems and evidence examined to validate this code section	Current systems: 1. The employment relationship was legal. The workers were recruited by the facility directly. The factory signed labour contracts with all workers upon hiring and resigned the labour contracts when the labour contracts expired. All workers received the copies of their labour contracts. 2. The factory complied with obligations to workers arising from the regular employment relationship. 3. The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory. The factory provided the regular trainings about the recruitment policy and procedure for all workers. The interviewed factory management and workers understood of the entire recruitment process. 4. The effective management system was in place to identify and monitor the hiring and management of all workers. The local workers and migrant workers were hired legally and treated equally in the facility. 5. No temporary worker or apprenticeship scheme existed in the factory. No homeworking existed in the factory. 6. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc. 7. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour 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: 1. Personal files with labour contracts and ID copies for the workers 2. Recruitment policy and procedure 3. Trainings records about the recruitment policy and procedure 4. The recruitment notice at gate 5. Payroll records 6. Management interview and worker interview

← Code area 7 Code area 8.A →

8. Regular employment is provided

Data points

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

← Code area 8 Code area 8.A →

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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 8

Code area 9 →

Management systems

Explanation for management systems grades	1. Policies and Procedures : The facility had the sub-contracting and home-working management procedure. According to the sub-contracting and home-working management procedure, 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, wages 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. So the grading for policy and procedures were Robust. 2. Resources: The facility takes responsibility for completing all processes within its own premises, no outside processes or subcontracting was observed. The facility appointed the Supplier Management Manager to be responsible for the management of subcontracting, responsibilities were clear and the manager was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement Recommended. 3. Communication and Training: Orientation and refreshing training on subcontracting and home workers to workers, supervisors and managers, to ensure they understand the policy on subcontracting and home workers. Special training was provided to employees in key positions. All sampled employees had a good understanding in related policies and procedures. So 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 systems 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 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. So the grading for monitoring was Robust.

← Code area 8

Code area 9 →

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 factory had established a policy to ensure sub-contracting would not be used unless previously agreed with the main clients. 2. All processes were finished within the factory. 3. No sub-contracting was used by this factory. 4. No home-working was used by this factory. Evidence examined: 1. Policy on sub-contracting 2. Reviewing of the production records such as materials receiving and issuing records. 3. Facility tour (calculation on total production and estimated capacity).

← Code area 8 Code area 9 →

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

Data points

Are homeworkers employed directly or engaged through an agent?	Not applicable
Gender disaggregated data available	

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homeworker?	
Are full records of homeworkers available at the site?	
Does the supplier buy products or services from suppliers that use homeworkers?	No The facility did not buy product or service from supplier that used homeworker.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity?	No No subcontractor was used in the facility. The workers' capacity met the actual production requirements.

← 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

← Code area 8.A

Code area 10.A →

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' misbehavior 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 were updated to ensure long-term compliance in the future. So the grading for policy and procedures were Robust. 2. Resources: The facility had appointed Mr. Chen Zhizhong/GM to be 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. Responsibilities were clear and the manager was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement Recommended. 3. Communication and Training: Orientation and refreshing training were conducted to communicate the anti-harsh or anti-inhumane treatment policy and disciplinary procedure to all workers, supervisors and managers. This training has ensured that all employees are fully informed of their rights and responsibilities under the policies and procedures. Multiple channels of communication were provided for employees to ensure free communication with the responsible person. The training efficiency was measured, during the employee interview, all employees have a good understanding of anti harsh or anti-inhumane treatment policy and disciplinary procedure. So 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.

← Code area 8.A
Code area 10.A →

Management systems

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

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 8.A

Code area 10.A →

Systems and evidence examined to validate this code section	Current systems: 1. The factory established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Worker interviews confirmed that they were aware of the anti-harsh or inhumane treatment policy, and there was no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in the factory. 2. The factory established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure. Worker interviews confirmed that they were aware of the disciplinary procedure and there was no monetary fine. 3. The anti-harsh or inhumane treatment policy and the disciplinary procedure were communicated to the workers through regular trainings. Worker interviews confirmed that they attended these trainings regularly. 4. The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, rights compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designated person for it was Mr. Chen Zhizhong/GM. Additionally, the clients' Code of Conducts, which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory. Worker interviews confirmed that they were aware of this system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. Evidence examined: 1. The anti-harsh or inhumane treatment policy and the disciplinary procedure; the grievance mechanisms 2. Training records regarding anti-harsh or inhumane treatment policy and disciplinary procedure 3. Internal grievance procedure 4. Facility tour 5. Management interview and worker 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
What type of grievance mechanism(s) are available?	The facility had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees, external communities and other stakeholders to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings.
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

← Code area 9

Code area 10.B →

Management systems

Explanation for management systems grades	1. Policies and Procedures : The facility had established a written environmental policy and procedure, which includes a commitment of legal compliance, a commitment of continuous improvement of environmental standards and a clear framework for setting environmental compliance objectives and targets. All required environmental protection registration or permit were kept and provided for review, and the facility had adopted an adequate and effective management system. So the grading for policy and procedures were Robust. 2. Resources: The facility had appointed Mr. Chen Zhizhong/GM to be responsible for the Environmental policies and procedures. Appoint letter was available for review and signed by the General Manager. Responsibilities were clear and the manager were aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement Recommended. 3. Communication and Training: Orientation and refreshing training on environmental policies, environmental laws and regulations were provided to workers, supervisors and managers to ensure they are equipped to contribute to the organization's environmental compliance efforts. During employee interview, all employees, especially employees in key position had a good understanding of the environmental protection policies and requirements. The facility had also communicated the policies and requirements to all suppliers. So the grading for communication and training was Robust. 4. Monitoring: The facility effectively monitors the environmental requirements in accordance with the policies and procedures. The EHS Committee which consisted of members from different departments would identify and monitor potential negative environment impacts of operations and supply chain and had established a systems that prevent, mitigate or remedy the impacts of their own operations. A resource targets was 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. 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.

Summary of findings

← Code area 9

Code area 10.B →

Code area	Workplace requirement	Area of NC	Finding

No findings

Systems and evidence examined to validate this code section	Current systems: 1. The facility established the environmental protection policy for review. 2. The facility had compiled one written significant environmental factors of their site and its processes. 3. The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents. 4. Mr. Chen Zhizhong/GM was appointed responsible for environmental issues. 5. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations. 6. The facility had provided the environmental impact report form, environment impact assessment approval and acceptance check for review. 7. The facility had transferred all hazardous wastes to qualified unit. 8. The facility had monitored all pollutant emission annually. Evidence examined: 1. All legally required environmental documents were provided for review 2. Environmental policy 3. Pollutant emission testing report review. 4. Employee and management interview 5. Site tour

← Code area 9 Code area 10.B →

10.A. Environment 2-Pillar

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?	No
Does the site have any valid environmental or energy management certificates?	The facility did not obtain any recognized environmental system certification.
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

← Code area 10.A

Code area 10.C →

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 communicate 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 provided the environmental management systems documentation for review. 8. Mr. Chen Zhizhong/GM was in charge of environmental issues. 9. The facility had not been subjected to (or pending) any fines/prosecutions for noncompliance to environmental regulations. 10. The information of total product produced per tons was not available. Total products was 2219928 pcs in 2024 and 2270232 pcs in 2025. 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?	Switching to renewable energy sources Packaging optimization Responsible use and management of water Circular economy and resource efficiency
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes The facility had adopted effect system in managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.
Does the site have reduction targets in place to manage climate related risks?	Yes, to increase low-carbon energy consumption or production Yes, a net-zero target
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes The facility will reduce water and electricity consumption by 3% at the end of year 2026.
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

← Code area 10.B

Code area 10.C →

Usage/discharge analysis

	Last full calendar year (2025)	Previous full calendar year (2024)
Total electricity consumption from non-renewable sources (kWh)	425,714	422,890
Total electricity consumption from renewable sources (kWh)	31,000	29,000
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	None	None
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)	10,330	12,044
Water discharged	Municipal sewage networ	Municipal sewage networ
Water volume discharged (m3)	10,330	12,044
Water volume recycled (m3)	0	0

← Code area 10.B

Code area 10.C →

Total waste produced (mt)	10.7	11.1
Total hazardous waste produced (mt)	3.7	3.9
Waste to recycling (mt)	4.3	4.4
Waste to landfill (mt)	0	0
Waste to other (mt)	2.7	2.8
Total product produced (mt)	Data not available	Data not available

← Code area 10.B

Code area 10.C →

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	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. Systems are in place to ensure the management structure and responsibilities are reactive to changing circumstances. So the grading for policy and procedures were Robust. 2. Resources: Mr. Chen Zhizhong/GM was assigned to be responsible for implementation of the policies and procedure of Business ethics. Responsibilities were clear and the manager were aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence. So the grading for resource was Some Improvement Recommended. 3. Communication and Training: The facility provided effective training and communication on this policy. Orientation and refreshing training are conducted according to the procedure, which includes workers, manager and supervisor. Training content was updated according to need. High risk roles was identified and Special training was provided for employees in key positions in time. During the employee interview, all employees had a good understanding of Business ethics. The facility had also communicate the policies and policies and procedures on Business ethics to all of their business partners. So the grading for communication and training was Robust. 4. Monitoring: Regular review on business ethics was conducted, overall performance is reported to the relevant senior management. The facility conducted the internal social compliance audit once per year, which covered the subject of business ethics, 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.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

← Code area 10.B

Systems and evidence examined to validate this code section	Current systems: 1. Mr. Chen Zhizhong/GM was the designated person responsible for implementing standards concerning Business Ethics. 2. The company established a business ethics policy which was communicated to employees through posters and training. 3. The site had received and read the Business Ethics policy of the auditor/audit company. 4. There was an internal grievance process, which was an anonymous email address. Evidence examined: 1. Business Ethics policy reviewing 2. Training records 3. Employee handbook 4. Reports from Anonymous email account

← Code area 10.B

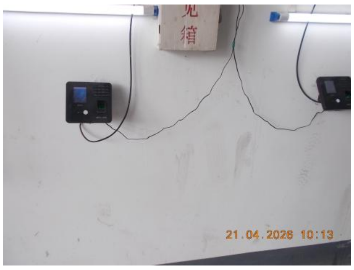
10.C. Business ethics

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	None

← Code area 10.C

Attachments



Attendance recorder.JPG

Drinking water.JPG

Occupational hazard information.JPG

Dormitory building.JPG

Notice area.JPG

Bathroom.JPG

Overview.JPG

Bedroom.JPG

Canteen.JPG

Cutting.JPG

No Smoking sign.JPG

Suggestion box.JPG

MSDS.JPG

Fire extinguisher.JPG

First aid kit.JPG

Printing.JPG

[Inspection and packing.JPG](#)

[Toilet.JPG](#)

[Production building.JPG](#)

[Secondary container.JPG](#)

[Personnal locker.JPG](#)

[Kitchen.JPG](#)

[Fire hydrant and fire alarm.JPG](#)

[PPE sign.JPG](#)

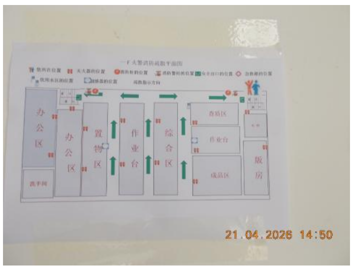
[PPE used.JPG](#)

[Sewing.JPG](#)

[Facility gate.JPG](#)

[Evacuation sign.JPG](#)

[Finished goods warehouse.JPG](#)



[Evacuation map.JPG](#)

[Electronic box.JPG](#)

[Eye washing station.JPG](#)

[Facility name.JPG]

[Emergency assembly point.JPG]

[Emergency lighting and exit sign.JPG]

[Warehouse.JPG]

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