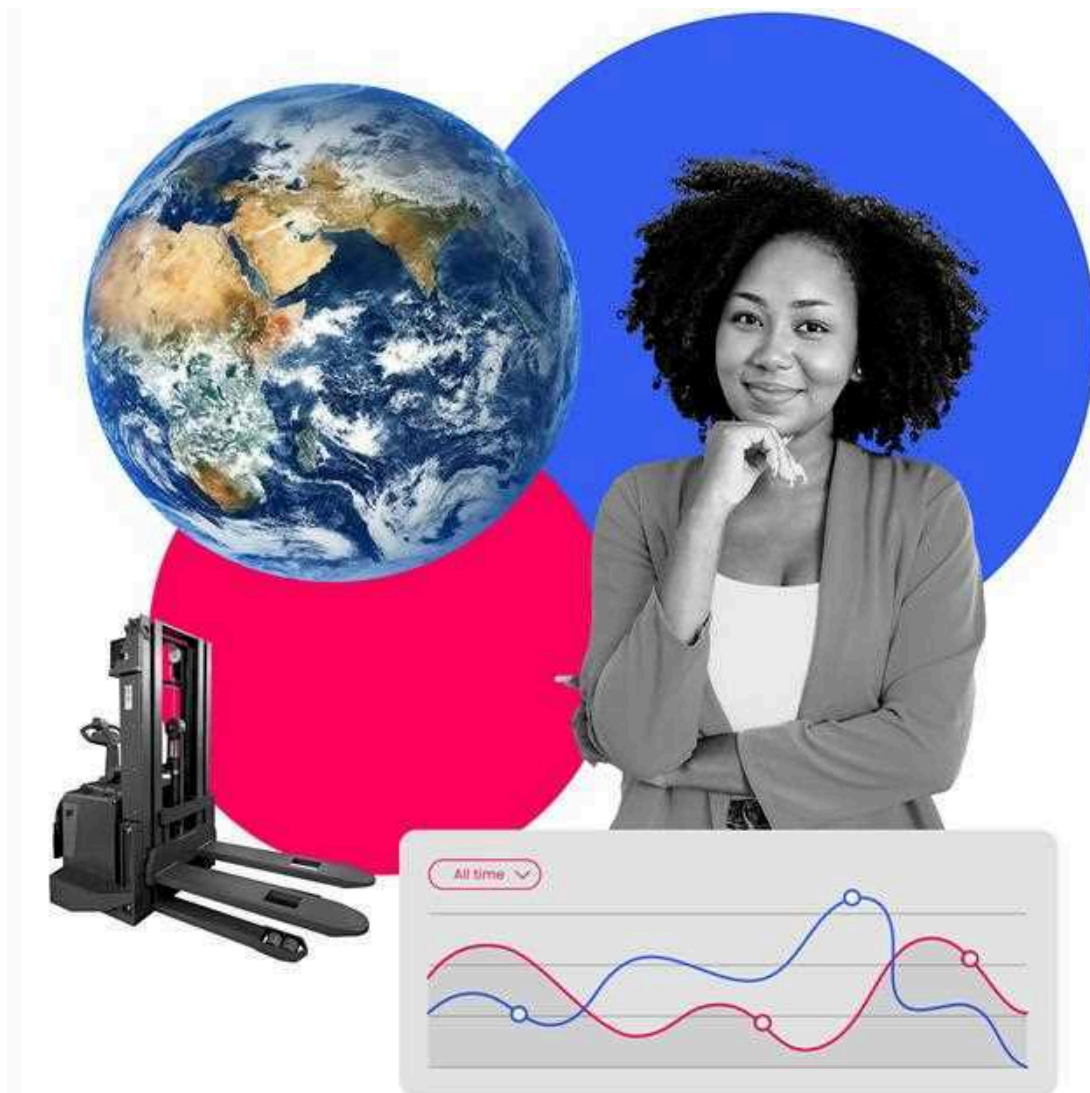


Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000082233	Site name	SHENZHEN POLY LINKER PAPER PRODUCTS COMPANY LIMITED
Business name	SHENZHEN POLY LINKER PAPER PRODUCTS COMPANY LIMITED	Site address	518100 广东省深圳市龙岗区平湖 街道力昌社区新厦工业城23栋 101一至三楼, 28栋101一至三 楼 1-3F, UNIT 101, BLOCK 23 AND 28, XIN XIA INDUSTRIAL CITY, LI CHANG COMMUNITY, PING HU STREET, LONG GANG DISTRICT, SHENZHEN CITY, GUANGDONG PROVINCE, GUANGDONG SHENZHEN, CN

Audit details

Sedex company reference	ZC5000069296	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	2025-08-14	Audit conducted by	Edison Lu
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

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Time in and out	Day 1		Day 2	
	In	08:30	In	08:30
	Out	16:30	Out	12:30

Audit type Full initial

Was the audit announced? Semi announced

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Ms. Huang Xuewei / Manager

Any conflicting information SAQ/Pre-Audit Info No

Is further information available? No

Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No

Reason for absence at the opening meeting No Union in the facility.

Reason for absence during the audit No Union in the facility.

Reason for absence at the closing meeting No Union in the facility.

SMETA declaration

Auditor team

SMETA declaration

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

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

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

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

This audit is semi-announce audit with the scheduling window from 11/08/2025 to 10/09/2025.

Lead auditor

Edison Lu

APSCA Number

21700374

Additional auditor

Date of declaration

2025-08-15

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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms. Huang Xuewei
Title	Manager
Date of declaration	2025-08-15

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	Local law Base code	NC ZAF601064901
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601064902
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601064903

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

[← Summary of findings](#)

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Site details

Company and site details

Sedex company reference	ZC5000069296	
Sedex site reference	ZS1000082233	
Company name	SHENZHEN POLY LINKER PAPER PRODUCTS COMPANY LIMITED	
Business ownership type	GOODS	
Site name	SHENZHEN POLY LINKER PAPER PRODUCTS COMPANY LIMITED	
Site name in local language	深圳市宝升行纸品有限公司	
GPS location	GPS address	1-3F, Unit 101, Block 23 And 28, Xin Xia Industrial City, Li Chang Community, Ping Hu Street, Long Gang District, Shenzhen City, Guangdong Province , China
	Coordinates	Not provided
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Ms. Huang Xuewei
	Job title	Manager
	Phone number	13640324534
	Email	632513055@qq.com
Applicable business and other legally required business license numbers and documents	Business License No.: 91440300596783586U. Valid term: long term since 04/June/2012.	

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of other articles of paper and paperboard
	Secondary	
	Other	
Product type	Paper products	
Process overview	The products manufactured at this site were paper products. The main production processes were listed as follows: printing, cutting, die cutting, gluing and packing. The main machine list of the facility was as following: 1 set of printing machine, 2 sets of cutting machines, etc.	
What level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes
What is the area of audited site to its boundary?	1400m ²

[← Management systems](#)

[Worker analysis →](#)

Site scope

Building 1	Last construction works on site	2001
	If building is shared, provide details	The facility used this building independently.
	Number of floors	3
	Description of floor activities	1F: Cutting 2F: Gluing 3F: Packing and office
Building 2	Last construction works on site	2001
	If building is shared, provide details	The facility used this building independently.
	Number of floors	3
	Description of floor activities	1F: Printing, die cutting 2F: Gluing 3F: Packing and warehouse
Is there any difference between the site scope of the audit and the Sedex site profile?	No	
Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site?	No	
Is any activity conducted onsite not included within the scope of the audit?	No	

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	No
Does the site organise worker transport to the worksite?	Not provided The facility did not provide transportation for workers.

Work patterns

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

Is there any night shift work at the site?	No
--	----

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	No
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	No The facility did not conduct assess for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

[← Site details](#)

[Worker analysis →](#)

Site assessments

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 by the facility within the last three years.

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	11 (73.3%)	4 (26.7%)	- -	15 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	11 (73.3%)	4 (26.7%)	- -	15 (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	7 (70%)	3 (30%)	- -	10 (66.7%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	7 (70%)	3 (30%)	- -	10 (66.7%)

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from Domestic migrant employees were mainly from Guangxi and Hunan, etc.

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 N/A, there was no peak season at 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	70%	30%	-	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	11 (73.3%)	4 (26.7%)	- -	15 (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	11 (73.3%)	4 (26.7%)	- -	15 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details N/A, no other payment cycle in the facility.

People in managerial, supervisory and administrative roles

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

[← Worker analysis](#)

[Worker interviews →](#)

Worker interview summary

Gender disaggregated data available Men and women

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

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

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

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

Number and size of group interviews 5 workers in 1 group

Did workers understand the purpose of the audit? Yes

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

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

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?

Other (provide details)

There was no complaint reported by the interviewed workers.

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

Contracts
 Equal opportunities
 Freedom of movement
 Grievance mechanisms
 Hours worked, rest days or breaks
 Job security
 Overtime
 Pay
 Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)

Additional comments

5 employees were selected for individual interview and total 5 employees in one group selected for group interview. Furthermore, one staff in charge of environmental and business ethics were interviewed individually. All these interviewees were favorable with the management and facility environment and no negative information was raised. The employees were assured of confidentiality and they spoke freely of their views of the facility. All employees said they were satisfied with their employment at the facility and the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect. They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns to their worker representative who would take it to the management.

Attitude of workers

Attitude of workers' committee/union representatives

One worker's representative was interviewed. She was favorable with the management and the working conditions, and She stated that the worker's committee representatives could give suggestions on all parts of the site's practices, and the facility management would investigate their suggestions or concerns and respond to them in a timely manner.

Attitude of managers

The managements were cooperative throughout the process of the audit. All areas were allowed access for tour, and a private room was provided for employees' interview. During closing meeting, the managements were receptive to all findings and stated that they would make improvement for all raised findings continually.

Workers interviewed by type

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

Workers interviewed by group/individual

	Men	Women	Other	Total

Workers interviewed by group/individual

Workers interviewed in groups	4	1	-	5
Workers interviewed individually	3	2	-	5

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	5	2	-	7
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	5	2	-	7

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	5.0%	5.0%	-	10.0%
Last full calendar year (2024)	5.0%	5.0%	-	10.0%
Previous full calendar year (2023)	5.0%	5.0%	-	10.0%

* 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%	2.0%	-	4.0%
Last full calendar year (2024)	3.0%	3.0%	-	6.0%
Previous full calendar year (2023)	2.0%	3.0%	-	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

According to accident management procedure, all accidents will be investigated and recorded. As per management interview, no accident happened in the last 12 months.

[← 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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	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 (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	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 (2024)	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 (2023)	0.0%	0.0%	-	0.0%
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Percentage of workers that work on average more than 60 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility allow the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and all the buildings in the facility. Provide the auditor with genuine and authentic records. 2. The facility did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The facility provide an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility maintain a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Policy on human rights. 2. Social compliance policy and procedures. 3. Appointment letter for compliance responsible persons. 4. Ethic policy and procedures. 5. SAQ records. 6. Training records for employees. 7. Written social compliance commitments from Suppliers and social compliance assessment reports for its suppliers. 8. Internal audit and management review record. 9. Management interview and employees' interview. 		

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment? No

Did any workers selected by the auditor decline to be interviewed? No

1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Some Improvements Recommended

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the 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 the workers were free to leave their employer after reasonable notice, etc. The factory had the 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; the 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. 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 is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for communicating, deploying, and monitoring the practices of effectively prohibiting involuntary or forced labour. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So, the grading for resources is Robust.

3. The facility provided effective trainings and communication on policy of prohibiting forced, bonded and prison labor to all relevant employees, including managers and supervisors. The training materials were provided in Simplified Chinese to facilitate employees' reading and understanding. The content would be updated in compliance with relevant laws, regulations, and customer requirements. Upon completion of the training, the facility assessed the employees' training effectiveness through random questioning to confirm their understanding of the training content. However, isolated sampled interviewees had low awareness of the definition of modern slavery. So, the grading for communication and training is Some Improvements Recommended

4. The facility does not withhold employees' ID cards, allowing them to retain personal identification and freedom of movement. The facility does not require employees to make any payments for work-related resources such as tools, uniforms, personal protective equipment (PPE), or training. The absence of any hint that the facility uses prison labor. And the facility is monitoring and adherence to its policies, as it suggests a proactive approach to preventing such practices and maintaining transparency in its employment practices. So, the grading for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had a written policy of prohibiting forced, bonded and prison labour. The policy stated that the facility did not require deposit or withhold workers' ID cards; the facility did not limit the workers' freedom; the facility prohibited forced, bonded or involuntary prison labour; and workers were free to leave their employer after reasonable notice, etc. 2. The facility 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 facility's personnel and properties, and security guards were not allowed to abuse workers and conduct body search. <p>Evidence examined</p> <ol style="list-style-type: none"> 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 		

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement? Not Applicable

Does the site utilise any workers who are prisoners? No

Does the site use the labour of persons required to work under any government scheme? No

1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the recruitment procedure and policy covering the content of responsible recruitment and entitlement to work. According to this procedure policy, all workers should have the government issued identification cards to show that they had the legal right to work; the procedure detailed the factory'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 factory; the labour providers or on-site service subcontractors should follow the same requirements to ensure responsible recruitment and entitlement to work. 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 is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for implement the procedure of freely recruitment and entitlement to work and she was aware the responsibilities. She had necessary skills and seniority to manage this issue. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So, the grading for resources is Robust.

3. The facility incorporates training on entitlement to work, immigration policies, and recruitment practices into its onboarding and ongoing education programs for employees and management. Orientation and refreshing trainings on entitlement to work, immigration policies, and recruitment practices were provided for the employees, supervisors and managers regularly to ensure they understood their rights and responsibilities. The facility made sure all stakeholders were aware of the facility's policies and the importance of adhering to legal requirements for employment. So, the grading for communication and training is Robust.

4. The facility monitored the effectiveness of Responsible recruitment and entitlement to work procedures through internal audit and management review and the facility had taken corrective actions as needed. Responsibilities for monitoring and targets or key performance indicators were defined and utilized. Regular review on Responsible recruitment and entitlement to work was conducted and recorded, overall performance was reported to the relevant senior management. So, the grading for monitoring is robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 1](#)

[Code area 2 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. Per document review, facility management representation and employee interview, all employees in the facility were Chinese, all employees had the proper legal rights to work in this region. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
2. No agency staff or foreign employee was used by the facility.
3. The facility did not use any labour providers or on-site subcontractors. The facility had a written policy of recruitment and entitlement to work, the 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 specifies the responsible party for reimbursing workers accordingly if they incur fees or costs. If workers who were found to pay recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs), were fully reimbursed in a timely manner and should sign an agreement with labour providers or on-site subcontractors which included sufficient protections for children and young workers.
4. The facility had carried out due diligence to understand the type and value of recruitment fees and related costs of recruitment. There was no new hired employee in the last 12 months. At the same time, 12 migrant workers were found in the facility. Workers did not pay any recruitment costs including employment physical examination fee.
5. The facility had established policy to avoid profiting from forced labour, human trafficking, debt bondage/ bonded labour or any other form of modern slavery. And systems in place to identify and prevent various forms of modern slavery or human trafficking within third parties.
6. Through document review, management and employees' interview, all employees in the facility were directly and permanent employees. There was a total of 20 employees including 1 management employees and 19 non-management employees, 6 females and 14 males working in the audited facility at present. 8 employees (40%) were local workers from Guangdong province of China, 12 employees (60%) were domestic migrant workers from Guangxi and Hunan Province of China. All employees had the proper legal rights to work in this region. The youngest age was 26 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.

Evidences:

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
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[← 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 Domestic migrant employees were mainly from Guangxi and Hunan, etc.

Recruitment fees

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

Were recruitment fees or costs identified during worker interviews? No

Through employees' interview, they were not asked to pay any recruitment fees or costs during recruitment and employment process.

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had a written procedure and policy of freedom of association and right to collective bargaining. The procedure stated that the workers were free to form or join trade union or workers' organization 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. 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 is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for implementation alongside an operations manager, and she is aware of her responsibilities. She had necessary skills and seniority to manage this issue. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So, the grading for resources is Robust.

3. 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. Upon completion of the training, the facility assessed the employees' training effectiveness through random questioning to confirm their understanding of the training content. So, the grading for communication and training is robust.

4. The facility had adopted an ongoing monitoring procedure on Freedom of association and right to collective bargaining are respected. The facility provided multiple channels for employees to freely communicate issues related to working conditions, wages and benefits, freedom of association etc. to management and worker committee representatives, as well as suggestion box where employees could submit their documented issues anonymously. One designated worker committee representative was assigned to collect employees' concerns and suggestions. Regular meetings between worker committee representatives and top management were conducted to discuss the concerns and suggestions from employees. So, the grading for monitoring is robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The facility has a written policy of freedom of association and right to collective bargaining. 2. The policy states that the employees are free to form or join workers' organization and enjoy the right to collective bargaining, and nobody will be treated differently if they are members of workers' organization, etc. 3. The facility has a written policy about suggestions and appeals, which stated that the employees were able to make suggestions/appeals to their managers, supervisors and team leaders through suggestion box, phone calls, phone messages and emails etc. 4. There was a worker committee with 3 workers representatives in the facility. 5. The response records for employees' suggestions and appeals were available for review. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Policy and procedures of freedom of association and right to collective bargaining. 2. Grievance handling procedure. 3. Worker's committee representatives' selection records and meeting records. 4. Response records for employees' suggestions and appeals. 5. Interviewed with worker's committee representative, management and employees. 		

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)?	Yes
Are the worker representatives freely elected by the workforce as a whole?	Yes
Does union/worker committee membership reflect the gender composition of the workforce?	Yes
Does the membership reflect the nationality composition of the workforce?	Yes
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	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended

Management systems

Explanation for management systems grades

1. One Health and Safety (H&S) policy was established and implemented in the facility, outlining the commitment to maintaining a safe and healthy work environment for all employees. A written Health and Safety management procedure was also in place, detailing the processes and procedures to be followed to ensure compliance with the requirements of the code area. The facility will regularly collect laws and regulations, if there are updates about the local law, the facility will update their policies and procedure to ensure long-term compliance in the future. So the grading for policy and procedures is robust.

2. An H&S committee is formed, with an appointed person responsible for safety issues (an appointment letter is available). Safety management staff possess qualification certificate in safety production knowledge. Responsibilities and authority of each organizational level for normal situations are recorded in position plans, job descriptions, or the facility's management system documentation. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. So the facility can ensure long term compliance in the future and the grading for resources is robust.

3. The facility conducted fire drills twice per year to ensure preparedness in case of an emergency. The facility provides employees with training related to health and safety, such as fire safety, machine safety, and employee safety, which the facility incorporates into its operations to ensure employees are aware of their safety concerns. Regular meetings were held between the H&S committee (workers) and the Health and Safety Officer, with minutes of meetings showing that each point discussed was acted upon. Refresh training were provided for all workers, upon completion of the training, the facility assessed the employees' training effectiveness through random questioning to confirm their understanding of the training content. So the grading for communication and training is robust.

4. The facility established written Health and Safety management procedure in place, detailing the processes and procedures to be followed to ensure compliance with the requirements of the code area. The facility provided the orientation training and annually refresh training about EHS. There was a H&S facility's health and safety issues. Minutes of meetings showed that there were regular meetings between the H&S committee (workers) and the Health Safety Officer, and each point was acted on. However, the monitoring processes for Chemicals are inadequate and ineffective, which lead to isolated issue about chemicals, So the grading for monitoring is Some Improvements Recommended.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	Local law Base code	NC ZAF601064901

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management:

The facility had documented policies and procedures to ensure safe and hygienic working environment shall be provided. The policies and procedures concerning health and safety were communicated to workers through orientation training and annual refresh training. The facility appointed production supervisor to be responsible for the facility's health and safety conditions. Risk assessments including fire risk assessments had been carried out throughout the facility to ensure the working environment was safety and hygienic. The temperature and lighting in workshops were comfortable.

3. Fire and building safety:

The facility had obtained fire certificates and reports of construction completion acceptance for its production buildings. Employees received regular fire safety training according to law requirements. Regular fire drills had been conducted for all employees at production area twice per year and the fire drill records were kept for review. Evacuation plans indicated sufficient information, such as escape route, the location of the fire extinguishers, fire alarms and location of reader was posted on each floor of the production buildings. Sufficient emergency lights, exit signs, fire extinguishers, fire hydrants and fire alarms were installed in relevant areas of the production buildings. Firefighting equipment such as fire alarms, fire hydrants and fire extinguishers in the facility were kept unblocked and were easily accessible. There were at least 2 exits from each work area. All evacuation passages and emergency exit in facility buildings were clear and unlocked. Smoking was not permitted inside/throughout the buildings.

4. Electrical safety

All electrical equipment was maintained in a good condition, such as sockets, plugs, switches. The electrical system in the facility was in a good condition, and all switches in the electrical control panels were labelled. There was one competent electrician at the site and the valid electrician license was available for review.

5. Equipment safety

The production machines were checked monthly and the checking logs were provided for review.

Production machines were with protective devices.

6. Medical and hygiene

First aid kits stocked with necessary supplies were available in each workshop. There were 2 first aiders in the facility, the first aid procedure and the contact number of the first aiders were post in each workshop. Employees could access to clean toilet facilities and to drinkable water anytime. Drinking water test report was provided for review, and no non-compliance was noted

in the water test report.

7. Chemical safety

The facility used chemicals such as glue and cleanser. Secondary containers were installed for all chemicals. However, the facility did not post the MSDS of chemicals at chemical using area.

Evidence examined

1. Health and safety policy
2. Health and safety manual
3. Health and safety committee minutes
4. Training records and certificates
5. Fire equipment maintenance records
6. Fire drill records
7. Building structure safety certificate
8. Trained first aider record
9. Accident reports
10. Interviews with H&S manager
11. Interviews with employees and H&S committee members

Findings: non-compliances

ZAF601064901

Non-compliance

Due 2025-10-20

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

230 - No material safety data sheet (MSDS) obtained/available

Area of non-compliance/non-conformance

Local law

Base code

Description

MSDS was not available for hazardous chemical. During facility tour, auditor found that the facility used glue at the gluing workshop on 2/F at production building 23#. However, no MSDS (Material Safety Data Sheet) was provided in this area.

危险化学品场所没有MSDS。在现场巡查时，审核员发现企业在23#生产楼二楼胶水车间使用胶水，但该场所没有相应危险化学品的MSDS（物质安全技术资料表）。

Corrective and preventative actions

The facility would post the MSDS at chemical using and storage area, and monitor the chemical status.

Local law reference

In accordance with the Regulations on the Safe Use of Chemicals in Workplace, Article 12 The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.

* PDF generated at 23:46 (UTC) on 21 Aug 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Code area 3](#)

[Code area 4 →](#)

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, senior manager or business owner Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Dangerous chemicals such as ink and glue were used in the facility.
Who organises accommodation for workers?	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?	Workers organise their own transport
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Not Applicable No floor added was noted in this audit.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

Management systems

Explanation for management systems grades

1. A written recruitment policy was in place, explicitly stating that all workers must present their ID cards as proof of age during the hiring process. This policy ensures compliance with regulations prohibiting the employment of individuals under the age of 16. A juvenile employee protection procedure was documented, outlining measures to safeguard the rights and well-being of young workers, further reinforcing the commitment to not employ child labor. No child labor in the facility, but a child labor remediation procedure was also documented, demonstrating preparedness to address any potential issues promptly and effectively. So, the grading for policy and procedures is Robust.

2. The facility appointed Facility Director with sufficient seniority who had operational responsibility and accountability for the implementation of the procedures. However, the facility did not appoint backup person in case of position change or absence to ensure long-term compliance in the future. So the grading for resource is Some Improvements Recommended.

3. The facility provided effective training and communication on prohibition of using child labor and remediation procedure to all relevant workers, including managers and supervisors. Training content was updated according to need. and through workers interview, they knew the details of child labor policy and the remediation process. The facility conducted the refresh training for all workers at least once per year, and conducted the training effective assessment. So, the grading for communication and training is Robust.

4. The facility's monitoring mechanism includes regular reviews of personnel files to verify the completeness of age -proof documents and the compliance of the verification process, especially checking age documents (copies of ID cards) to ensure that no underage workers are employed. The recruitment team is evaluated quarterly for process compliance, which is incorporated into the performance assessment. The audit results are made public to all stakeholders. Employees, supplier employees, and the public can report suspected child labor cases through a 24-hours anonymous hotline, email, or online platform, and all reports are investigated within 48 hours. The facility conducts internal audits annually to monitor compliance with policies and procedures as well as the understanding and implementation of training. The audit results are reviewed by the management, and corrective measures are implemented to address any gaps or deficiencies. Any mis-application of the procedures is documented. The facility conducted the internal audit to assess compliance, and relevant actions were taken to prevent recurrence. So, the grading for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 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 26 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. <p>Evidence examined:</p> <ol style="list-style-type: none"> 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 		

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	26
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

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

Management systems

Explanation for management systems grades

1. The facility has established and implemented a comprehensive wage & benefit policy along with controlling procedures. This policy outlines the minimum wage standards, overtime compensation rates, and other employee benefits. The policy ensures that no monetary fines are used as disciplinary measures and prohibits any illegal deductions from employee wages. So, the grading for policy and procedures is Robust.
2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for ensuring that all employees are paid at least the local minimum wage standard and provides additional benefits like social security, annual leave, and maternity leave to eligible employees. The facility is responsible for communicating the wage & benefit policy and controlling procedures to all employees through regular trainings. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. So, the grading for resources is Robust.
3. Regular trainings are conducted to inform workers about the wage & benefit policy, including the minimum wage standards, overtime compensation rates, and other benefits. These trainings ensure that employees have a clear understanding of their employment conditions and rights related to wages and benefits. And through interviewed with employees, their willingness to participate in social insurance is not high. So, the grading for communication and training is Some Improvements Recommended.
4. The company monitored the implementation of procedures put in place to ensure ongoing compliance. The site reviewed and updated these procedures regularly to ensure they continue to achieve the desired result and to ensure ongoing conformance as standards change. However, the non-compliance of insufficient social insurance participation was found due to ineffective monitoring for social insurance participation, and internal audit and management review did not monitor and control this issue effectively. So the grading for monitoring is Fundamental Improvements Required.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
← Code area 4			Code area 5.A →

5. Legal wages are paid

5.B Ensure that workers receive the insurance...

Local law
Base code

NC [ZAF601064902](#)

[← 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 legal minimum wages were set at RMB 2360 per month as equivalent to RMB13.56 (2360/21.75/8) per hour from January 1, 2022 to February 28, 2025 and RMB 2520 per month as equivalent to RMB14.48 (2520/21.75/8) per hour since March 01, 2025.
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) All employees' wages were calculated by hourly rate. 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 overtime work 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 unemployment insurance, maternity insurance, basic medical insurance and employment injury insurance, but not all employees had participated in basic endowment insurance, through document review, management interview and employee interview.
10. The workers' wages including normal wages and overtime wages etc. of one month was paid on or before the 7th day of the following month.
11. All workers were paid through auto bank transfer and each worker was given a pay slip and signed for their wages.
12. No monetary fine was used as disciplinary measure.
13. 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.
14. Wages were consisted with normal wage, holiday wage, overtime wage and bonus.

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 initial audit, payroll records from August 2024 to July 2025 and attendance records from 01 August 2024 to 15 August 2025 (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.
-

Findings: non-compliances

ZAF601064902

Non-compliance

Due 2025-10-20

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Insufficient social insurance participated. There were 27 employees in July 2025. Through reviewing the social insurance document of July 2025, auditor found that 27 employees (100%) had employment injury insurance, unemployment insurance, basic medical insurance and maternity insurance, only 20 employees (74%) had participated in basic endowment insurance.

Area of non-compliance/non-conformance

Local law

Base code

社会保险参保不足。在2025年7月，企业有27名员工，通过查看2025年7月的社保文件，审核员发现企业27人（100%）参加工伤保险，失业保险，医疗保险和生育保险，只有20人（74%）有参加养老保险。

Corrective and preventative actions

Facility would communicate with employees to expand the social insurance coverage. Ensure to expand the social insurance coverage to comply with 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.

[← Code area 5](#)

[Code area 5.A →](#)

Evidence



[NC. Insufficient social insurance participation.jpg](#)

* PDF generated at 23:46 (UTC) on 21 Aug 2025. [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?	The legal minimum wage Wages meet a living 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

Worker remuneration

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

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

[← Code area 5](#)

[Code area 5.A →](#)

Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0
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	18.0
	Max hours per month	78.0
Minimum legal wage	Min per hour	14.48
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2520.0
Actual minimum wage	Actual per hour	14.48
	Actual per day	115.84
	Actual per week	579.2
	Actual per month	2520.0
Minimum legal overtime wage	Min per hour	21.72
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	Non applicable

[← Code area 5](#)

[Code area 5.A →](#)

Actual minimum overtime wage	Actual per hour	21.72
	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 Jul 2025 (current month) 10 samples from Apr 2025 (random month) 10 samples from Sep 2024 (random month)
Are there different legal minimum/legally recognised CBAs wage grades?	Yes The legal minimum wages were set at RMB 2360 per month as equivalent to RMB13.56 (2360/21.75/8) per hour from January 1, 2022 to February 28, 2025 and RMB 2520 per month as equivalent to RMB14.48 (2520/21.75/8) per hour since March 01, 2025.
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	100% of workforce earning meet minimum wage. The wage consisted of base wage, overtime wage, perfect attendance bonus, production output bonus, performance bonus and high-temperature bonus(if). The deduction included social insurance, housing funds and personal tax.
Are there any bonus schemes used?	Yes RMB 500-1000 for bonus was provided for the workers per payrolls and worker interviews.

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	<p>Current systems:</p> <ol style="list-style-type: none"> 1. Living wage policy and controlling procedure were established and implemented. 2. The facility calculated living wage and did local basic needs wage investigation. 3. The facility reviewed workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap. 4. Anker methodology is used for Living Wage calculation by the facility and the facility put in place a wage improvement plan. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Wages and benefits management procedure. 2. Local minimum wage standard document. 3. Payroll and attendance records. 4. Management and employees' interview. 5. Living Wage calculation form. 6. Assessment report about workers' total pay. 7. Wage improvement plan. 		

6. Working hours are not excessive

Management systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the voluntary overtime policy, which stipulated that the overtime was voluntary. The factory 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 overtime should be no more than 3 hours per day and 36 hours per month; 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 workers. 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 is Robust.

2. The facility utilized finger scan attendance systems for timekeeping, ensuring accurate tracking of working hours and overtime. The facility appointed Ms. Yu Jincun/Supervisor to be responsible for enforcing the policies and ensuring compliance through regular reviews and interviews with employees. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So the facility can ensure long-term compliance in the future and the grading for resources is robust. So, the grading for resources is Robust.

3. Regular trainings are conducted to communicate the voluntary overtime and working time policies to workers, ensuring they understand their rights and responsibilities regarding working hours and overtime. But the interviewed employees do not recognize the policy of overtime control procedures, they believe that more overtime hours would increase their income. So the grading for communication and training is Some Improvements Recommended.

4. The facility established policy and procedure relevant to attendance and clearly specifies the start and end time of work, rest period and overtime application process. Plan employees' working hours in advance to reduce the need for temporary overtime. When there is a need for overtime work, it needs to be approved by the leader. Mandate rest days (Such as at least one day off per week) and statutory holidays to avoid continue overwork. Overtime is supervised by HR or employee representatives to prevent forced or hidden overtime. The facility will periodically assess the work intensity of employees and changes position of those who work overtime for long hours. Train employees to understand their rights and interests and refuse unreasonable overtime requests. The facility had conducted internal audit and management review to monitor the working hours, and the results were reviewed and acted upon by management. However, the monitoring processes for Working Hours

Management systems

are ineffective, which lead to systemic issue about working hours, So, the grading for monitoring is Fundamental Improvements Required.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601064903

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.
2. Overtime was voluntary.
3. Finger scan attendance system was used for time keeping. Attendance hours were completed automatically in electronic payroll system which calculates wages.
4. As per the provided attendance records, basic working hours were 8 hours per day and 40 hours per week, the maximum weekly working hours were 58 hours, the maximum daily overtime hours were 2 hours, the maximum monthly overtime hours were 78 hours, and one days off were provided after 6 consecutive working days.

Evidence examined:

1. Working hours management procedure.
2. Payroll and attendance records.
3. Leave records.
4. Resignation records.
5. Production records.
6. Management and employees' interview.

Findings: non-compliances

ZAF601064903

Non-compliance

Due 2025-10-20

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees were 78 hours in July 2025 (current month), 10 out of 10 randomly selected employees were 64 hours in April 2025 (random month), 10 out of 10 randomly selected employees were 70 hours in September 2024 (random month).

Area of non-compliance/non-conformance

Local law

Base code

加班时间超过法规要求。通过文件审核，审核员发现在抽取的2025年7月份（当前月）的考勤中，10名随机抽取的员工中有10人的月加班时间为78小时，2025年4月份（随机月）的考勤中，10名随机抽取的员工中有10人的月加班时间为64小时，2024年9月份（随机月）的考勤中，10名随机抽取的员工中有10人的月加班时间为70小时。

Corrective and preventative actions

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

[← Code area 6](#)

[Code area 7 →](#)



[NC monthly overtime
exceed legal
requirement.png](#)

* PDF generated at 23:46 (UTC) on 21 Aug 2025. [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 overtime wages to employees according to local law requirement.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	54.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	58.0
Maximum number of days worked without a day off in sample	6

[← 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 Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The facility has established an anti-discrimination policy and procedure, outlining the organization's 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. So, the grading for policy and procedures is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for implementing and enforcing the anti-discrimination policy and procedure. Procedures are in place for interim responsibility in the case of position change or absence. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So the facility can ensure long-term compliance in the future and the grading for resources is robust. So, the grading for resources is Robust.

3. Regular trainings on anti-discrimination are provided to employees to ensure that they understand the policy and their responsibilities in creating and maintaining a non-discriminatory work environment. The facility conducted annually internal audits to assess the training of policies and procedures, and checked the understanding and implementation of training. Audit findings are reviewed by management, and corrective actions are implemented to address any gaps or deficiencies. Therefore, the grading for communication and training is Robust.

4. The facility effectively monitors the policies and procedures on No discrimination is practiced, which included in the annual CSR internal audit to ensure sufficient management of the policies and procedures on No discrimination is practiced. Employees interviewed spoke highly of the owner of the facility, and there was no evidence of sexual harassment or discrimination in hiring, pay, training, promotion, dismissal or retirement. At the same time, the factory has established an internal grievance process and set up a suggestion box to encourage positive feedback from employees. The facility conducted annually internal audits to monitor compliance with policies and procedures and the understanding and implementation of training. Audit findings are reviewed by management, and corrective actions are implemented to address any gaps or deficiencies. Therefore, the grading for monitoring is Robust.

Summary of findings

[← Code area 6](#)

[Code area 8 →](#)

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had anti-discrimination policy and procedure. 2. The regular trainings on anti-discrimination were provided to the workers. 3. All interviewed workers spoke highly of the employer. 4. No worker was required to do examination of the hepatitis B virus and HIV. 5. No female worker was required to do examination of pregnant test. 6. Although there were significantly more male employees than female employees, gender discrimination did not exist in the facility; both female and male workers were distributed in all types of work. 7. There was no evidence of sexual harassment. 8. No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership or political affiliation was found. 9. There was an internal grievance process, all sampled workers were aware of the grievance channels in case they encountered any discrimination cases. 10. The facility had established dedicated equity approach regarding recruitment, training, development and promotion processes, for instance, each employee has the opportunity for promotion or advancement if they meet the requirements, employee promotion or advancement is generally carried out step by step, all results need to be made public. <p>Evidence examined:</p> <ol style="list-style-type: none"> 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. 		

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)? 10%

Representation of women in managerial roles (ratio of women workers to women managers) 0%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 25%

Three most common nationalities in managerial and supervisory roles Chinese. There was no foreign migrant employee in the facility.

8. Regular employment is provided

Management systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the recruitment policy and procedure covering regular employment. The recruitment policy and procedure stipulated that the factory will meet and how to meet its contractual and legal obligations in cases of hiring, dismissal, termination and redundancy; the factory will use employment labor models and non-employment labor models according to the legal requirements. 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 is Robust.

2. The facility appoint Facility Director to responsible for recruiting all employees directly, without relying on labor agencies. Additionally, by not using temporary employees, apprenticeship schemes, or home employees, the facility ensures that all processes are finished within the facility, and there is no outsourcing of labor. However, the facility did not appoint backup person in case of position change or absence to ensure long-term compliance in the future. So the grading for resource is Some Improvements Recommended.

3. The factory provided effective training and communication on the recruitment policy and procedure covering regular employment 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 recruitment policy and procedure covering regular employment clearly. So the grading for communication and training is Robust.

4. The facility ensured compliance with laws and policies by monitoring employment practices. It avoided temporary or home workers used, and it had clear processes for workforce management. In-house processes and no home working streamline monitoring and reinforce compliance. The facility had conducted internal assessment and management review for its code area and it had been implemented properly. The factory conducted the internal social compliance audit once per year, which covered the subject of regular employment, and the results were reviewed and acted upon by management. The regular employment requirements were implemented and controlled effectively. The facility would take appropriate corrective and preventative action to prevent problems from occurring. So the grading for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current Systems:</p> <ol style="list-style-type: none"> 1. The employment relationship was legal. The employees were recruited by the facility directly. The facility signed labour contracts with all employees upon hiring and resigned the labour contracts when the labour contracts expired. All employees received the copies of their labour contracts. 2. The facility complied with obligations to workers arising from the regular employment relationship. 3. The facility had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the facility. 4. The facility provided the regular trainings about the recruitment policy and procedure upon hiring and annually for all employees. The interviewed facility management and employees understood of the entire recruitment process. 5. The effective management system was in place to identify and monitor the hiring and management of all workers. The local employees and migrant employees were hired legally and treated equally in the facility. 6. No temporary employee and apprenticeship scheme existed in the facility. No homeworking existed in the facility. Employees were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and employees 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 employees themselves. The interviewed employees 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. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Hiring and termination procedure. 2. Personal files. 3. Labor contacts of employees. 4. Management and employees' interview. 		

[← Code area 7](#)

[Code area 8.A →](#)

8. Regular employment is provided

Data points

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

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

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the sub-contracting and home-working management procedure. According to the sub-contracting and homeworking management procedure, sub-contracting 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, discriminate employees, and abuse its employees; the home workers can not use child labor. The factory will conduct annual compliance assessment for its subcontractor and home workers, and it will require the corrective and preventive action plans if any violation was found. 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 is Robust.

2. The factory assigned Ms. Huang Xuewei/Manager to oversee the implementation of the sub- contracting and home-working management procedure. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. The assigned persons were aware of the relevant responsibilities, and which had necessary skills and seniority to manage the sub-contracting and home-working issues. So, the grading for resources is Robust.

3. The factory provided effective training and communication on the sub-contracting and home-working 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 sub-contracting and home-working management procedure clearly. So, the grading for communication and training is Robust.

4. The facility had mechanism in place to monitor its adherence to the policy on subcontracting and homeworking. All processes were completed in the facility. The facility simplified monitoring efforts and can maintain a higher level of control over the quality and timeliness of its work. The factory conducted the internal social compliance audit once per year, which covered the subject of sub-contracting and home-working, and the results were reviewed and acted upon by management. The sub-contracting and home-working requirements were implemented and controlled

Management systems

effectively. So the grading for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had established a policy to ensure sub-contracting would not be used unless previously agreed with the main client.
2. All processes were finished within the facility.
3. No Homeworking was used by this facility.

Evidence examined:

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

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The facility did not buy product or service from supplies that use homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
There was no subcontracting used by the facility.

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used?

No

[← Code area 8.A](#)

[Code area 9 →](#)

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the anti-harsh or anti inhumane treatment policy. The facility had the disciplinary procedure for the workers' misbehavior. According to the anti-harsh or anti-inhumane treatment policy and the disciplinary procedure, the physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited; the warning, written warning and finally termination will be used as disciplinary measure and the monetary fine will not be used as disciplinary measure. 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 is robust.

2. The factory assigned Ms. Huang Xuewei/Manager to oversee the implementation of the anti-harsh or anti-inhumane treatment policy and the disciplinary procedure. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. The assigned persons were aware of the relevant responsibilities, and had necessary skills and seniority to manage the harsh and inhumane treatment issues. So, the grading for resources is robust.

3. Regular training is conducted to communicate the anti-harsh or anti-inhumane treatment policy and disciplinary procedure to employees. This training made sure that all employees are fully informed of their rights and responsibilities under the policy and understand the consequences of violating it. Also, special case base on the facility's actual situation training and communication had been provided to relevant workers, including managers and supervisors. So, the grading for communication and training is robust.

4. 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 the internal social compliance audit once per year, which covered the subject of no harsh or inhumane treatment requirements, and the results were reviewed and acted upon by management. The requirements of no harsh or inhumane treatment were implemented and controlled effectively. The monitoring ensured sufficient management of workplace requirements on an ongoing basis. So, the grading for monitoring is robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had a documented policy pertaining to prohibiting inhumane treatment, which stipulated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation should always be prohibited in the facility. 2. Ms. Huang Xuewei/Manager was appointed to be responsibility for communicating, deploying, and monitoring the prohibiting inhumane treatment policy and practice. 3. The facility's policy, practices and procedures on prohibiting inhumane treatment was effectively communicated to all employees through internal training. 4. Published, anonymous and open channels were available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party. 5. Based on employee interview, employees claimed that no Harsh or Inhumane 6. Treatment had been noted before. 7. The grievance mechanisms were legitimate, accessible and equitable and it was also confirmed with the employees. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Anti-harsh or anti-inhumane treatment policy and disciplinary procedure. 2. Training records. 3. Grievance handling procedure. 4. On-site observation. 5. Management and employees' interview. 		

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	<p>Yes, there is a formal grievance process</p> <p>The grievance process is available to all workers</p> <p>The grievance process is available to members of the local community</p>
What type of grievance mechanism(s) are available?	Suggestion box and employees also could oral to their supervisors directly.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

Management systems

Explanation for management systems grades

1. The factory had the comprehensive and well documented policies and procedures in place that aligned with SMETA standards. The factory had the environmental policy which was endorsed by the general manager; the environmental policy included commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders, and stipulated that the factory will meet the legal environmental laws, save energy and natural resources, reduce pollution, enhance biodiversity protection and sustainable development. The factory had the environmental management procedure, which stated how to achieve the environmental goals. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. So, the grading for policy and procedures is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for maintaining a system that identifies and addresses any gaps between its clients' environmental standards and the environmental impact of its own operations. The factory also assigned a backup senior manager for this code area to deal with the situation that the appointed person wanted to take long leave or resign. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So, the facility can ensure long-term compliance in the future and the grading for resources is robust.

3. The factory provided effective training and communication on the environmental policy, and the environmental management procedure to all relevant workers, including the managers, supervisors, sales, purchasing, logistics staff and normal production workers. The training content was updated according to need. Effective training on environmental policy and an environmental management system was conducted according to a documented plan and procedure, which included assessment and refresher training. All workers, managers, supervisors and suppliers received the trainings and communication. The training content was updated according to need. The assessment of understanding was provided, ensuring a high level of efficacy. So, the grading for communication and training is Robust.

4. The facility ongoing monitoring and evaluation of the substances used and their impact on the environment, as well as communication with clients and regulatory authorities to ensure compliance. Regular inspection of environmental factors was conducted and recorded by HR department. Annual independent lab tests of wastewater and air emissions were conducted by the third party to ensure compliance with regulatory limits. The corrective actions was taken as needed. The facility had also adopted a system to update legal requirements / clients' environmental standards, and addressed any gaps for improvement. So, the grading

[← Code area 9](#)

[Code area 10.B →](#)

Management systems

for monitoring is Robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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No findings

Systems and evidence examined to validate this code section

Current systems:

1. The facility had policy and procedures pertaining to environmental protection, which stipulated that the facility should comply with the requirements of local and international laws.
2. Ms. Huang Xuewei/Manager was appointed to be responsibility for communicating, deploying, and monitoring the environment practices elaborated upon in the environmental management system.
3. Through management interview, it was noted that the facility managements were aware of legal and clients' environmental requirements.
4. No evidence that the facility had been subjected to any fines/prosecutions for noncompliance to environmental regulations in the past one year. The facility had a program and materials to train relevant individuals on each practice of the environmental management system.
5. The legally required certificates such as the Environmental Impact Assessment (EIA) for construction project and Environmental Impact Assessment (EIA) approval for construction project, etc were provided for review during this audit.
6. The facility provided SAQ for review during the audit.

Evidence examined:

1. Environmental policy and management procedure.
2. Waste management procedure.
3. Environmental approvals and monitoring report.
4. Training records.
5. On-site observation.
6. Management and employees' interview.

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

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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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.
5. 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.
8. The facility had provided the environmental management systems documentation for review.
9. Ms. Huang Xuewei/Manager was in charge of environmental issues.
10. The facility had not been subjected to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Evidence examined:

1. Significant environmental impacts risk assessment documents.
2. Energy bills
3. Water bills
4. Renewal energy specification
5. Environment training records and materials.
6. Site tour
7. Management interview and employees' interview

10.B. Environment 4-Pillar

Data points

<p>Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?</p>	<p>Yes</p>
<p>What additional specific environmental policies does the site capture?</p>	<p>Responsible use and management of water Prioritising local suppliers Packaging optimization Switching to renewable energy sources Sustainable material sourcing</p>
<p>Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?</p>	<p>Yes This was included in the facility's internal management system.</p>
<p>Does the site have reduction targets in place to manage climate related risks?</p>	<p>Yes, to increase low-carbon energy consumption or production</p>
<p>Are any of these science-based targets?</p>	<p>No, but we anticipate setting one in the next two years</p>
<p>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))?</p>	<p>Yes Reduction target was included in environmental policy. The facility also established strategy to minimize consumption of purchased electricity, natural gas and water using, such as central air conditioning replaced, wet film air conditioner humidification replaced electrode air conditioner humidification, process water reused, adopt some administration methods were defined to reduce the electricity and water using.</p>

Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?

Not Applicable

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	186,430	193,200
Total electricity consumption from renewable sources (kWh)	0	0
Sources of renewable energy used	None	None
Types of renewable energy used	Other (provide details) The facility did not use renewable energy.	Other (provide details) The facility did not use renewable energy.
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	0	0
Has the site completed any carbon footprint analysis?	No	No
Water sources	Shenzhen City Water factory	Shenzhen City Water factory
Does the site use mercury or mercury compounds?	No	No

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Water volume used (m3)	1,538	1,670
Water discharged	Municipal sewage treatment plant	Municipal sewage treatment plant
Water volume discharged (m3)	1,438	1,570
Water volume recycled (m3)	30	35
Total waste produced (mt)	36	37
Total hazardous waste produced (mt)	0.3	0.4
Waste to recycling (mt)	35.7	36.6
Waste to landfill (mt)	0	0
Waste to other (mt)	0	0
Total product produced (mt)	1,848	1,920

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10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met Robust Management Systems

Appoint a manager with sufficient seniority who is responsible for implementing procedures Robust Management Systems

Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures Robust Management Systems

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

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Management systems

Explanation for management systems grades

1. The facility has formulated a clear policy to promote ethical behavior, especially encouraging employees to declare conflicts of interest, and has outlined procedures for protecting those who refuse to engage in unethical behaviors such as bribery or facilitation payments. The policy requires the facility to comply with all applicable laws and regulations regarding anti-corruption, anti-monopoly, data protection, etc., regarding ethics and integrity as the cornerstone of the enterprise's survival and development. It is committed to adhering to the highest ethical standards in business decision-making, operational management, and interactions with stakeholders. Any form of corruption, fraud, improper transfer of interests, or unfair competition is prohibited. Through transparent governance and cultural shaping, we aim to earn the long-term trust of customers, employees, and society. Therefore, the grading for policy and procedures is Robust.

2. The facility appointed Ms. Huang Xuewei/Manager to be responsible for ensuring compliance with the code, clarifying the responsibilities for business ethical practices, supervising the implementation of business ethics policies, listening to quarterly reports from compliance officers, approving high-risk transactions, coordinating policy formulation, training, and investigations into violations, and having the authority to allocate cross-departmental resources. Meanwhile, the facility to ensure effectiveness through regular advocacy, supervision, and timely follow-up. So, the facility can ensure long-term compliance in the future and the grading for resources is robust.

3. All employees receive an employee handbook that contains business ethics policies, and their onboarding process includes training on these policies. Employees complete the "Foundation of Business Ethics" training during onboarding, which covers case simulations. Key suppliers are required to sign an annual "Ethics Commitment Letter" and can only renew the contract after fulfilling their reporting obligations. The facility regularly updates its business ethics policies and maintains communication with relevant stakeholders. The interviewed workers, managers and supervisors knew the ethics policy and procedure clearly. So the grading for communication and training is robust.

4. The facility has established confidential whistleblowing channels, including grievance boxes, hotlines, and other accessible reporting mechanisms, for employees and supplier employees to secretly report suspected violations of business conduct. This setup promotes the monitoring and early detection of unethical behaviors and encourages a culture of transparency and accountability. The risk map is updated annually to identify industries with a high risk of corruption, geopolitically sensitive areas, and new criminal methods. The monitoring ensured sufficient management of

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Management systems

workplace requirements on an ongoing basis. So, the grading for monitoring is robust.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	<p>Current systems:</p> <ol style="list-style-type: none"> 1. The facility had policy and procedures pertaining to anti-bribery, anti corruption, or unethical Business. 2. Ms. Huang Xuewei/Manager was appointed to be responsibility for communicating, deploying, and monitoring the standards concerning business ethics. 3. Through management interview, it was noted that the facility managements were aware of legal and clients' business ethics requirements. 4. The facility communicated this business ethics policy to all employees through internal training. 5. The facility communicated this business ethics policy to its suppliers through annual meeting. 6. Employees or suppliers could report business ethics issues to the highest level management through hotline or suggestion box. 7. The facility had received and read the Business Ethics policy of the audit company and that facility practices were conducted without any corruption or bribery. 8. The facility required their suppliers to sign written commitments to ensure the Business Ethics regulations to be understood and followed. 9. No evidence that the facility had been subjected to any fines/prosecutions for non-compliance to Business Ethics regulations. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Ethic policy and procedures. 2. Training records. 3. Employee handbook. 4. Grievance handling procedure. 5. Management and employees' interview. 		

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10.C. Business ethics

Data points

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

No

Provide any certified anti-bribery management systems for the site

The facility did not obtain any recognized certificate for anti-bribery Management System.

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Attachments



[PPE sign and occupational hazard factors notification.jpg](#)

[No smoking sign.jpg](#)

[Warehouse.jpg](#)

[Production building 2.jpg](#)



[Printing.jpg](#)

[Production building 1.jpg](#)

[NC. Insufficient social insurance participation.jpg](#)

[Toilet.jpg](#)



[NC monthly overtime exceed legal requirement.png](#)

[Suggestion box.jpg](#)

[Packing.jpg](#)

[First aid kit.jpg](#)



[Fire hydrant.jpg](#)



[Fire extinguishers.jpg](#)



[Gluing.jpg](#)



[Facility name.jpg](#)



[Evacuation route sign.jpg](#)



[Fire alarm.jpg](#)



[Facility gate.jpg](#)



[ETI poster.jpg](#)



[Evacuation plan.jpg](#)



[Eye wash equipment.jpg](#)



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



[Warehouse.jpg](#)



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[Evacuation plan.jpg](#)

[Evacuation route sign.jpg](#)

[Facility gate.jpg](#)

[Eye wash equipment.jpg](#)



[ETI poster.jpg](#)



[Electronic box with warning sign.jpg](#)



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



[Die cutting.jpg](#)



[Employee with PPE.jpg](#)



[Drinkable water.jpg](#)



[Auto cutting.jpg](#)



[Cutting.jpg](#)



[Attendance recorder.jpg](#)



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



[Anti-explosion lamp.jpg](#)



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