

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	ZS3631231	Site name	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Business name	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	Site address	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXX China XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Audit details

Sedex company reference	ZC1043388	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	2025-10-28	Audit conducted by	Benny Chen
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

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Time in and out	Day 1		Day 2		Day 3	
	In	08:40	In	09:00	In	09:00
	Out	17:00	Out	17:00	Out	14:00
Audit type	Periodic					
Was the audit announced?	Semi announced					
Was the Sedex SAQ available for review?	Yes					
Who signed and agreed CAPR?	Mr. Wu Xinjian / Administration Supervisor					
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.		

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

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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 13/10/2025 to 11/11/2025.

Lead auditor

Benny Chen

APSCA Number

21700355

Additional auditor

Date of declaration

2025-10-30

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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	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Title	Administration Supervisor
Date of declaration	2025-10-30

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[Findings →](#)

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.E Provide and record health and safety trai...	Local law Base code	NC ZAF601168129

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[Management systems →](#)

Management systems

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

✗ Not addressed

















⚠ Fundamental improvements required


i 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	ZC1043388	
Sedex site reference	ZS3631231	
Company name	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
Business ownership type	GOODS	
Site name	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
Site name in local language	东莞市兴跃电子有限公司	
GPS location	GPS address	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Coordinates	Not provided
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Job title	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Phone number	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Email	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Applicable business and other legally required business license numbers and documents	Business License Number: 91441900MA4UU0F43Y; Valid date: 23 August 2016 to long term.	

[← Management systems](#)

[Worker analysis →](#)

Site activities

Site function	Factory Processing/Manufacturer	
Site activities	Primary	Manufacture of consumer electronics
	Secondary	
	Other	
Product type	Earphones, bluetooth speaker and portable power source	
Process overview	The main products manufactured by the facility were earphones, bluetooth speaker and portable power source. The main production processes were listed as follows: Injection, paint spraying, silk-printing, assembly and packing. The main machine list of the facility was as following: Injection machine: 22 sets; crushing machine: 6 sets; printing machine:10 sets; spraying machine: 3 sets, 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?	5400m ²	
Building 1	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	1F: Warehouse; 2F: Testing room, office; 3F: Assembly and packing.

[← Management systems](#)

[Worker analysis →](#)

Site scope

Building 2	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	3
	Description of floor activities	1F: Injection; 2F: Assembly and packing; 3F: Paint spraying, silkprinting.
Building 3	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Raw Material warehouse
Building 4	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	5
	Description of floor activities	1F: Meeting room; 2F-5F: Bedroom.
Building 5	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	5
	Description of floor activities	1F: Canteen; 2F-5F: Bedroom.

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 6	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	5
	Description of floor activities	1F: Canteen and kitchen; 2F-5F: Bedroom.
Building 7	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Security room
Building 8	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Power room
Building 9	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Power room
Building 10	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Chemical warehouse

[← Site details](#)

[Worker analysis →](#)

Site scope

Building 11	Last construction works on site	2000
	If building is shared, provide details	N/A
	Number of floors	1
	Description of floor activities	Hazardous waste 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

Worker accommodation and transport

Are there any site-provided worker accommodation buildings?	Yes
Is the accommodation within the perimeter of the site audited?	Onsite
Is the accommodation contractually mandated for workers?	Optional
Who provides the accommodation?	Site

[← Site details](#)

[Worker analysis →](#)

Worker accommodation and transport

Was all accommodation (whether directly or via third parties, off or onsite) included in this audit? All
Three 5-storey dormitory buildings were included in this audit.

Does the site organise worker transport to the worksite? Not provided
No transport was provided for any employees

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	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? Yes
Injection workshop had two shifts from 8:00 to 20:00 and 20:00 to 8:00 respectively.

What percentage of the workforce, including temporary and agency workers, work during the night shift? 13%

Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? Yes
The audit was not conducted across all shift times, but it included samples of workers from each shift time in interviews and sampling.

[← Site details](#)

[Worker analysis →](#)

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?

No

Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?

Yes

The site had assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community.

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

No

The site did not conduct Human Rights Impact Assessment (HRIA) within the last three years at this site.

[← Site details](#)

[Worker analysis →](#)

Worker analysis

Gender disaggregated data available Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	147 (45.8%)	174 (54.2%)	- -	321 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	147 (45.8%)	174 (54.2%)	- -	321 (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	147 (45.8%)	174 (54.2%)	- -	321 (100%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	147 (45.8%)	174 (54.2%)	- -	321 (100%)

* % of total workforce

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

Guangxi, Guizhou, Hunan and Hubei province of China.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	37 (58.7%)	26 (41.3%)	- -	63 (19.6%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

[← Worker analysis](#)

[Worker interviews →](#)

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

Describe how this may vary during peak periods No peak month in the facility.

Please list the nationalities of all workers, with the three most common nationalities listed first Chinese

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Chinese	45%	55%	-	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	147 (45.8%)	174 (54.2%)	- -	321 (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	147 (45.8%)	174 (54.2%)	- -	321 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

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

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	6 (60%)	4 (40%)	- -	10
Supervisors or team leaders	6 (42.9%)	8 (57.1%)	- -	14
Administrative staff	23 (39%)	36 (61%)	- -	59

[← 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 Four groups of 20 employees (5 employees per 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

[← Worker analysis](#)

[Measuring workplace impact →](#)

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

No

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

Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?

Other (provide details)

No complaint was found.

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

Communication (e.g. from management)
Equal opportunities
Social activities and events
Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)
Training and development
Work environment – comfort (e.g. temperature, noise or dust levels)

Additional comments

Total 26 employees were selected for interview. 6 employees were selected for the individual interview and 20 employees in 4 groups were selected for the group interview. Through employees' interviews, all employees were satisfied with the facility's working conditions, salary level and management, no negative information was raised.

Attitude of workers' committee/union representatives

There was one worker committee with 2 worker representatives in the facility. One worker representative was selected for interview who was favorable with the management and facility environment, and no negative information was raised.

Attitude of managers

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

[← Worker analysis](#)

[Measuring workplace impact →](#)

Workers interviewed by type

	Total
Permanent workers	26
Temporary or fixed-term employees	0
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	26

Workers interviewed by group/individual

	Men	Women	Other	Total
Workers interviewed in groups	7	13	-	20
Workers interviewed individually	3	3	-	6

[← Worker analysis](#)

[Measuring workplace impact →](#)

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	10	16	-	26
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	10	16	-	26

[← Worker interviews](#)

[Measuring workplace impact →](#)

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	1.0%	2.0%	-	3.0%
Last full calendar year (2024)	2.0%	3.0%	-	5.0%
Previous full calendar year (2023)	2.0%	1.0%	-	3.0%

* 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)	2.0%	1.0%	-	3.0%
Previous full calendar year (2023)	1.0%	3.0%	-	4.0%

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

Are accidents recorded? Yes

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

[← 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. Auditor was allowed to conduct and complete the audit without obstruction to all requested documents, interviewees and the facility itself and the facility provided genuine and authentic records to the auditor. 2. The facility did not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest. 3. The facility provided an accurate site description and Sedex site profile declared prior to or during the audit. 4. The facility maintained a written human rights policy statement that was approved at the most senior level, communicated to all personnel, and related training was provided to relevant personnel. <p>Evidence examined:</p> <ol style="list-style-type: none"> 1. Health and safety manual 2. Personal files including a copy of employee's contract 3. Payroll records 4. Attendance records 5. Management interview and employee 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

[← Code area 0](#)

[Code area 1 →](#)

1. Employment is freely chosen

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

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

Management systems

Explanation for management systems grades

1. The facility had established a series of policies on forced labor, human trafficking, debt slavery, or any other form of modern slavery which stated that the facility did not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; the facility prohibits forced, bonded or involuntary prison labour; and employees are free to leave their employer after reasonable notice, etc. All policy and procedure serves as a guiding principle for all employment practices within the facility and these policies and procedures were reviewed and updated annually. The facility will update the policy and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future.
2. The facility appointed Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for communicating, deploying, and monitoring the practices of effectively prohibiting involuntary or forced labour. He was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. There was one written training program at site. Orientation and refreshing training on labor policies and employee rights were provided to all workers, supervisors and managers regularly to ensure employees are aware of their rights and the prohibition against forced, bonded, and prison labor. Specific training on employment is freely chosen was available for HR staff and team leaders. Through employee interview, all sampled workers, HR staffs and team leaders had a good understanding of related policy and procedures.
4. The facility effectively monitors the facility recruitment process in accordance with the policies and procedures and had established systems and methods for identifying and preventing modern slavery or human trafficking. The policy requires the Human Resources Department to conduct training quarterly for HR employees to enhance recruiters' awareness of forced labor, human trafficking, debt slavery, or any other form of modern slavery, and the training record should be maintained. Management would conduct meets regularly and proactively to improve issues arising from the recruitment process to preventing forced labor, human trafficking, debt slavery, or any other form of modern slavery and maintaining transparency in its employment practices to ensure sustainable compliance with all workplace requirement in this code area now and future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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[← Code area 0](#)

[Code area 1.A →](#)

No findings

**Systems and evidence examined to
validate this code section**

Current systems:

1. The interviewed employees raised no concerns of forced or bonded labour. They stated that they were free to leave their working stations once their shifts end.
2. The interviewed employees stated that they are not required to pay any 'deposits' or leave their ID cards with the employer.
3. Facility tour showed that no sign of employees being under pressure.

Evidence examined:

1. The facility's policy to ensure employment is freely chosen was reviewed. The policy included the following clause: the facility does not require deposit or withhold employees' ID cards; the facility does not limit the employees' freedom; there is no forced, bonded or involuntary prison labor; and employees are free to resign after reasonable notice.
2. Employment contracts were reviewed and they contained the notice periods.
3. Management interview and employee interview.

[← Code area 0](#)

[Code area 1.A →](#)

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement? No

Does the site utilise any workers who are prisoners? No

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

[← Code area 1](#)

[Code area 1.A →](#)

1.A. Responsible recruitment and entitlement to work

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

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

[← Code area 1](#)

[Code area 2 →](#)

Management systems

Explanation for management systems grades

1. The facility had established a well-documented policy regarding responsible recruitment and entitlement to work. This policy stipulated that the facility only employed individuals who possessed the legal right to work, ensuring compliance with local labor laws and regulations. The factory does not use labour provider/on-site subcontractors agencies/recruitment partners in current.
2. The facility assigned Mr. Wu Xinjian Admin and HR Supervisor to responsible for implementing the procedure of freely recruitment and entitlement to work. She had the necessary skills and seniority to manage this issue. The responsibilities of both the Admin supervisor and the HR staff were clear. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training on entitlement to work, immigration policies, and recruitment practices were provided for workers, supervisors and managers regularly to ensure they understood their rights and responsibilities. Through employee interview, all employees had a good understanding of entitlement to work and immigration. The facility had ensured all stakeholders were aware of the facility's policies and the importance of adhering to legal requirements for employment.
4. The facility monitored the effectiveness of Responsible recruitment and entitlement to work procedures through internal audit and management review. The working conditions, employment terms, wages and benefits in the facility accurately reflect those communicated to employee during recruitment and communicated to employees regularly to increase their awareness. The facility conducted the internal social compliance audit once per year, which covered the subject of the responsible recruitment and entitlement to work, and the results were reviewed and acted upon by management. The responsible recruitment and entitlement to work requirement were implemented and controlled effectively which could ensures sustainable compliance with all workplace requirement in this code area now and future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
	No findings		

[← Code area 1](#)

[Code area 2 →](#)

Systems and evidence examined to validate this code section

Current Systems:

1. Through documents review, facility management representation and employee interview, all employees in the facility were Chinese. No foreign migrant employee was found during this audit.
2. All employees had the proper legal rights to work in this region.
3. The youngest age was 18 years old.
4. All of them were recruited directly by the facility and no agency was involved in facility's recruitment processes.
5. During this audit, no agency staff or foreign employee was used by the facility.
6. The facility supports "Employer Pays Principle" by paying (or reimburses) for any recruitment fees or costs incurred for all employees (permanent and contractors). No employees were required to pay recruitment fees or related costs (legal or other costs as defined by ILO, including travel and visa fees).
7. 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.
8. There were total 404 employees in the facility (included 394 non-management employees and 10 management employees), 376 employees (93%) were domestic migrant employees and 28 employees were local employees. No foreign migrant worker was used by the facility. At the same time, there were 132 new hired employees in the last 12 months. The facility had conducted due diligence regarding recruitment fees and related costs; no recruitment fees or related costs were observed.
9. The facility had undertaken due diligence to understand the type and value of recruitment fees and related costs of recruitment which workers have paid (legal or otherwise, as defined by the ILO and including travel and visa costs). Where international travel takes place that include both the departure and destination countries. This due diligence was sufficient to meet the SMETA Workplace Requirements of this code section.

Evidence examined:

1. Hiring procedure.
2. Personnel files with labour contracts and ID copies
3. Employing handbook
4. Due diligence records for recruitment fees
5. Facility tour
6. Management interview and worker interview

[← Code area 1](#)

[Code area 2 →](#)

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

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

Migrant workers

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

[← Code area 1.A](#)

[Code area 2 →](#)

Percentage of workers that are migrant 0%

Do any workers migrate from other states, provinces or regions within the country to work at this site? Yes

List the sending states/provinces/regions Guangxi, Guizhou, Hunan, Hubei province of China.

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

According to employee interview and document review, no recruitment fee and cost existed during the recruitment and employment processes.

[← Code area 1.A](#)

[Code area 2 →](#)

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

Management systems

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

[← Code area 1.A](#)

[Code area 3 →](#)

Management systems

Explanation for management systems grades

1. A policy and procedure concerning freedom of association and the right to collective bargaining was in place and the responsibilities and processes to implement policies and procedures are clear. One worker representative committee with clear function existed in the facility, worker committee representatives were freely selected by employees. Written procedure on communication with worker committee and address concerns reported by workers through the established worker committee was established. This policy was updated last month and signed by HR Supervisor and posted on the employee noticeboard.
2. Mr. Wu Xinjian/Admin and HR Supervisor is assigned responsibility for implementation of free association, and he is aware of his responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. The facility communicated its policies and practices pertaining to freedom of association to all workers, supervisors and managers through trainin programs. Special training was provided to worker committee representative. During the employee interview, all workers were aware of the right of freedom of association and the right to collective bargaining. All workers know about the worker committee, its function and who their representatives are.
4. The facility provided multiple avenues for employees to freely communicate issues related to working conditions, wages and benefits, and freedom of association directly to management. This included regular meetings with top management, where employees could voice their concerns and suggestions, as well as a suggestion box where employees could submit their documented issues anonymously. There were worker representatives at the facility to facilitate communication and address concerns. The facility reviewed and updated the policy and procedures regularly to ensure they continued to achieve the desired results and to ensure ongoing conformance as standards changed. The facility conducted the internal social compliance audit once per year, which covered the subject of freedom of association and right to collective bargaining, and the results were reviewed and acted upon by management.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 1.A](#)

[Code area 3 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The facility had a written policy of freedom of association and right to collective bargaining. The policy stated that the workers were free to 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.
2. The facility had a written policy about suggestions and appeals, which stated that workers could raise their suggestions, concerns or appeals through committee representatives, telephone, suggestion box, and their team leaders or above; or through worker representatives who would take it to the management.
3. One worker committee (with 2 worker representatives) was established in the facility. One worker representative was present at the opening meeting, the audit and the closing meeting.
4. The interviewed workers confirmed that they were free to join workers' organization and enjoyed the right to collective bargaining.
5. The interviewed worker representative confirmed that the facility did not interfere in their activities and did not discriminate them.
6. The response records for workers' suggestions and appeals were available for review.

Evidence examined

1. Policy of freedom of association and right to collective bargaining
2. Policy about suggestions and appeals
3. Worker representatives' selection records and meeting records
4. Response records for workers' suggestions and appeals
5. Interviews with worker representative, management and workers

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

Data points

Are trade unions allowed by law in the national context?	Yes
Are there any registered trade unions in the workplace?	No
Are they active?	
Does the employer recognise the trade union?	Not Applicable
Are 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	Some Improvements Recommended
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Fundamental Improvements Required

[← Code area 2](#)

[Code area 4 →](#)

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 facility had a Health and Safety Policy outlining the commitment to maintaining a safe and healthy work environment for all workers. A Health and Safety management procedure was also in place to ensure compliance with the health and safety requirements. Responsibilities and processes the implement policy and procedure were clear. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks.
2. A H&S committee was established in the facility, with an appointed management responsible for addressing the facility's health and safety issues. The appointment letter was available for review. The responsibilities of management responsible were clearly defined. The management of work safety in the facility obtained a qualification certificate in safety production knowledge and management skills. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence.
3. The factory provided effective training and communication on the Health and Safety Policy and the Health and Safety management procedure to all relevant workers, including the managers, supervisors, sales, purchasing, logistics staff, normal production workers and outsource workers etc. The training content was updated according to need. The trainings were provided to workers upon hiring and annually afterwards. The relevant policies and procedures were written in the local language (i.e. Chinese) and posted in the notice boards to let the workers view anytime. The interviewed workers, managers and supervisors knew the Health and Safety Policy and the Health and Safety management procedure clearly.
4. Designed staff monitored the health and safety issues and carried health and safety inspections periodically. The EHS Committee which consisted of members from different departments carried out comprehensive inspections monthly, and conducted the meeting to talk about the health and safety topics at least once per 2 months. The facility manager and the department leaders cooperated and participated to ensure the health and safety of the production site. The facility conducted risk assessments regularly to consider the prevailing knowledge of the industry and of any specific hazards. The facility took adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. The facility would take appropriate and preventative action to stop the recurrence of the same or similar problem. The facility conducted the internal social compliance audit at least once per year, which covered the subject of health and safety; the facility would take correct action immediately if any health and safety violations found after the internal audit, and the relevant records for corrective and preventative action were provided for review. However, gaps in monitoring systems have led to NC. One finding about the training records / certificate of safety production knowledge and management skill of

[← Code area 2](#)

[Code area 4 →](#)

Management systems

the principal in charge for the management of work safety was found in this section due to insufficient monitoring.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.E Provide and record health and safety trai...	Local law Base code	NC ZAF601168129

[← Code area 2](#)

[Code area 4 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. General Health and Safety management

- Mr. Wu Xinjian/Admin and HR Supervisor was responsible for the Health & Safety management in the facility.
- Potable water was freely available in all areas.
- Sufficient clean toilets segregated by gender were available at all times to all employees.
- Ventilation, temperature and lighting were adequate for the production processes.
- The fire certificates and construction safety testing certificates for the building was provided for review.
- Proper PPE (Personal Protective Equipment) was provided for related employees.
- Only photocopy of certificate of safety production knowledge and management skill for the principal in charge for the management of work safety in the facility.

2. Fire Safety

- There were at least 2 exits from each work area and these exits were clearly marked.
- Fire-fighting equipment was adequate and the checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all employee interviewed.
- Fire drills were conducted for all shifts at production and dormitory area twice per year, and the related records were provided for review.
- Fire training was provided to all employees.
- All fire exits were unlocked during work time.
- The width of safety exits was sufficient.
- Fire alarm, fire hydrant and fire extinguishers were installed at each floor of the production building.

3. Electrical safety

- All electrical equipment was maintained in a good condition, such as sockets, plugs, switches and main fuse boards.
- Electrician license was provided for review.

4. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were sufficient first aid personnel in this facility.

5. Chemical safety

- MSDS was available for all chemicals used and stored on-site.
- Safety label was available for all chemicals used and stored on-site.
- Eye-wash station was installed for all sites with chemicals.
- Secondary container was available for all chemicals used and stored on-site.

Evidence examined:

1. Health and safety policy

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

Findings: non-compliances

Non-compliance

Due 2025-12-05

ZAF601168129

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.E Provide and record health and safety training to all new workers, prior to exposure to risks. Provide continued training to existing workers, as appropriate for the hazards and levels of risk identified.

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

166 - No/inadequate health and safety training for managers

Area of non-compliance/non-conformance

Local law

Base code

Description

Only photocopy of certificate of safety production knowledge and management skill for the principal in charge for the management of work safety in the facility was provided. During document review, auditor found that the facility only provided photocopy of certificate of safety production knowledge and management skill of the principal in charge for the management of work safety for review.

仅提供企业主要负责人安全生产知识和管理能力证书的复印件。在文件审核时，企业仅提供该企业主要负责人的安全生产知识和管理能力证书的复印件供审阅。

Corrective and preventative actions

The original document is kept by the individual and was not found during the audit. It is recommended that the facility should provide original of certificate of safety production knowledge and management skill of the principal in charge for the management of work safety for review.

[← Code area 3](#)

[Code area 4 →](#)

Local law reference

In accordance with the Law of the PRC on Work Safety Article 27, The principal in charge and persons for the management of work safety in production and business entities have to have the knowledge about work safety and the competence for the management, which are commensurate with the production and business activities of these entities. The principal in charge and persons for the management of work safety in production and business entities that produce, trade, store or Loading and unloading hazardous articles, and mines, metal smelting, building construction, and road transport shall only be appointed to the posts after they pass the examinations in their knowledge about work safety and their competence in the management conducted by the competent departments for work safety supervision and administration. No fees shall be charged for taking such examinations. Entities that produce, store or store Loading and unloading hazardous articles, and mines, metal smelting shall have certified safety engineer to work on the management of work safety.

Evidence



[Photocopy of certificate.png](#)



* PDF generated at 04:13 (UTC) on 05 Nov 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?	Yes
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes Chemical were used, such as painting, thinner and glue.
Who organises accommodation for workers?	The company owns or operates worker accommodation (onsite)
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 There was no structural addition (e.g. floor added) for the facility building.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No

[← Code area 3](#)

[Code area 4 →](#)

Does the site have a structural engineer evaluation? Yes

[← Code area 3](#)

[Code area 4 →](#)

4. Child labour shall not be used

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 3](#)

[Code area 5 →](#)

Management systems

Explanation for management systems grades

1. A written recruitment policy was in place, which stated that the age of all applicants should be verified before employment and applicants under the age of 16 would never be employed. A comprehensive age verification process was adopted, and verification documents of all employees were kept. There was no underage labor or juvenile in the facility, the facility had established written juvenile employee protection procedure and child labor remediation procedure to demonstrating preparedness to address any potential issues of child labor and juvenile.
2. The facility assigned Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for implementation of the procedure of prohibition of using child labor. He was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. The facility provided effective training and communication on prohibition of using child labor procedure to all workers, managers and supervisors. Both orientation and refreshing training were conducted, and training content was updated according to need. During the employee interview, all related staff have good sense in Child labour shall not be used. Special training was provided to HR staff.
4. Responsibilities for monitoring implementation of age-verification are defined by the Hiring Procedure. The procedure requires that audit of the records kept of this verification is conducted by the HR Supervisor increasing to weekly at times of peak hiring. Records are kept of monitoring activities. Any identification of mis-application of procedures, or concerns about application are escalated for action in the monthly HR team meeting. For example, Young workers should not be discriminated against by denying them access to the workforce, but their specific needs should be taken into account to ensure they are undertaking appropriate work— this was highlighted by internal monitoring and re-training rolled out for key staff. Managers conduct an annual risk assessment for young workers with corrective and preventive actions to ensure long-term compliance in the future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 3](#)

[Code area 5 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. There was a written recruitment procedure which 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 18 years old.
6. Management interview and worker interviews showed that the factory verified all workers' original ID cards at the time of recruitment and kept the photocopies of workers' ID cards in the personnel files, and the factory would not recruit the applicant under the age of 16 years old.

Evidence examined:

1. Recruitment procedure
2. Juvenile worker and pregnant worker protection procedure
3. Child labour remediation procedure
4. Worker roster
5. Personnel files
6. Management interview and worker interview

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	19%
Enter the legal age of employment	16
Enter the age of the youngest worker identified	18
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	No

[← Code area 4](#)

[Code area 5 →](#)

5. Legal wages are paid

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 4](#)

[Code area 5.A →](#)

Management systems

Explanation for management systems grades

1. The facility established and implemented the wage & benefit policy and controlling procedure, which stipulated how to calculate, how to pay and when to pay the wages including overtime wage, benefits, bonus and leaves to the workers and what deduction will be deducted from the workers' wages; and stated that the wages and benefits should meet the legal requirements and be paid on time for the workers. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks. The facility will update the policy and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future such as two days of statutory leave is added in the 2025 version of the policy in accordance with the latest regulatory requirements.
2. Mr. Wu Xinjian/Admin and HR Supervisor was responsible for ensuring that all employees are paid at least the local minimum wage standard and living wage standard, and provided with all legal benefits such social security, annual leave, maternity leave and etc., He was aware of the responsibilities. She had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. There was a written training program at site, the facility had communicated wage & benefit policy to all workers, managers and supervisors through orientation and refreshing training. Special training was provided for HR and finance staff and records were kept. During the employee interview, all employees have a clear understanding of the wage & benefit policy, including the minimum wage standards, overtime compensation rates, and other legal benefits.
4. The facility monitored the implementation of procedures put in place to ensure ongoing compliance. The facility had conducted internal assessment and management review for this code area and most legal requirements about wages and benefits were implemented adequately.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 4](#)

[Code area 5.A →](#)

Systems and evidence examined to validate this code section

Current systems:

1. Wage & benefit policy and controlling procedure were established and implemented.
2. Wage & benefit policy and controlling procedure were communicated to the workers through regular trainings.
3. The local minimum wage standard was set at RMB 1900 per month as equivalent to RMB 10.92 (1900/21.75/8) per hour before 01 March 2025 and RMB 2080 per month as equivalent to RMB 11.95 (2080/21.75/8) per hour since 01 March 2025.
4. Wages and attendance records were kept and provided for review.
5. Per the Wage & benefit policy and controlling procedure, the provided attendance records, payrolls, and worker interviews, it was confirmed that:
 - 1) All employees were calculated by hourly rate. The minimum wage paid by the facility was RMB 2088 per month as equivalent to RMB 12 (2088/21.75/8) per hour, which was above the legal requirement;
 - 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.
6. 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.
7. 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.
8. All employees had participated in all types of social insurance.
9. The social insurance payments were passed on to the relevant authorities in a timely manner.
10. The workers' wages including normal wages and overtime wages etc. of one month was paid on or before the end day of the following month.
11. No monetary fine was used as disciplinary measure.
12. 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.
13. Wages consisted with normal wage, holiday wage and overtime wage.
14. All employees were paid monthly by bank transfer and each worker was given a pay slip and signed their wages.

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

[← Code area 4](#)

[Code area 5.A →](#)

-
4. Local and national laws
 5. Labour contracts for all workers (to examine agreed wage rates)
 6. This is an annual audit and the last annual audit was conducted on 23-25 October 2024; so during this audit, payroll records from September 2024 to August 2025 and attendance records from 26 October 2024 to 30 October 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.
-

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	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	176.0
Maximum legal overtime hours	Max hours per day	3.0
	Max hours per week	Non applicable
	Max hours per month	36.0
Actual overtime hours	Max hours per day	2.0
	Max hours per week	10.0
	Max hours per month	36.0
Minimum legal wage	Min per hour	11.95
	Min per day	Non applicable
	Min per week	Non applicable
	Min per month	2080.0
Actual minimum wage	Actual per hour	12.0
	Actual per day	96.0
	Actual per week	480.0
	Actual per month	2088.0
Minimum legal overtime wage	Min per hour	17.9
	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	18.0
	Actual per day	Non applicable
	Actual per week	Non applicable
	Actual per month	Non applicable

Wage analysis

Number of workers' records checked	78
Provide the date and details of the records	26 samples from August 2025 (current month); 26 samples from May 2025 (random month); 26 samples from December 2024 (random month).
Are there different legal minimum/legally recognised CBAs wage grades?	Yes The local minimum wage standard was set at RMB 1900 per month as equivalent to RMB 10.92 (1900/21.75/8) per hour before 01 March 2025 and RMB 2080 per month as equivalent to RMB 11.95 (2080/21.75/8) per hour since 01 March 2025.
For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?	Above legal minimum
Indicate the breakdown of workforce per earnings	All employees paid above the legal minimum wage.
Are there any bonus schemes used?	Yes Position allowance
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 employees' 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. 		

[← Code area 5](#)

[Code area 6 →](#)

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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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
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[← Code area 5.A](#)

[Code area 7 →](#)

Management systems

Explanation for management systems grades

1. The facility has established and implemented a voluntary overtime policy, working time policy, and controlling procedure. These policies ensure that overtime work is voluntary and that working hours are regulated. The facility will update the policy and procedures if relevant laws and regulations are updated to ensure long-term compliance in the future.
2. The facility utilizes face ID attendance recording system for timekeeping, ensuring accurate tracking of working hours and overtime. HR Supervisor is responsible for enforcing the policies and ensuring compliance through regular reviews and interviews with employees. However, the facility did not appoint backup person in case of position change or absence to ensure long-term compliance in the future.
3. The facility provided effective training and communication on the voluntary overtime policy, working time policy and controlling procedure. Orientation and refreshing training are conducted according to the procedure, which includes workers, managers and supervisors. The training content was updated according to need. During the employment interview, all employees had a good understanding of the voluntary overtime policy, working time policy, and controlling procedure.
4. The facility continuously assesses the effectiveness of the working time policy and procedures via regular monitoring and internal audits and takes proactive measures in response to non-compliances. The facility carried out a risk assessment of the working hours once a year. The Management regularly reviews time records to manage overtime and the attendance records were maintained and reviewed regularly to ensure compliance with the working time policy. A variety of production and other records were cross checked for consistency, and no inconsistency about working time was noted. The facility conducted internal audit and management review to monitor the working hours.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 5.A](#)

[Code area 7 →](#)

Systems and evidence examined to validate this code section

Current Systems:

1. Working time policy and controlling procedure were established and implemented in the facility. Overtime was voluntary.
2. The workers' attendances were recorded by finger print attendance system and the shift start time and shift end time were recorded accordingly.
3. According to provided attendance records and employee interview basic working hours were 8 hours per day and 40 hours per week.
4. According to provided attendance records, the maximum overtime was 36 hours per month and records show that employees have at least 1 day off per week.
5. 0-2 overtime hour was arranged on normal working days in sample months.
6. In sampled months, the maximum weekly working hours were 50 hours.

Evidence examined:

1. Working time policy and controlling procedure
2. Voluntary overtime policy
3. Labour contracts
4. Local and national laws
5. Training records about working time policy and controlling procedures
6. This is an annual audit and the last annual audit was conducted on 23-25 October 2024; so during this audit, payroll records from September 2024 to August 2025 and attendance records from 26 October 2024 to 30 October 2025 (the audit day) were available for review.
7. Production records such as daily production quantity records and material receiving and issuing records were reviewed and consistent with the attendance records and payrolls provided.
8. Sampled pay slips with recorded hours of all workers interviewed.
9. Worker interview and management interview.

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	150%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	Not applicable. The facility paid the wages to the employees according to the law requirement. 150%, 200% and 300% of the normal wages were provided for the overtime hours on weekdays, rest days and statutory holidays respectively in the sampled months for 100% workers.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	48.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	50.0
Maximum number of days worked without a day off in sample	6

[← Code area 6](#)

[Code area 7 →](#)

7. No discrimination is practiced

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

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

[← Code area 6](#)

[Code area 8 →](#)

Management systems

Explanation for management systems grades

1. The facility has established an anti-discrimination and equity policy and procedure, which outlining the commitment to fostering a work environment free from discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union or workers' organization membership, or political affiliation and equity approach regarding recruitment, training, development and promotion processes. The responsibilities and processes to implement these policies and procedures were clear. These policies and procedures were reviewed and updated annually to ensure they remained relevant and effective in mitigating risks.
2. The facility appointed Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for implementing and enforcing the antidiscrimination policy and procedure. The responsibilities of management responsible were clearly defined. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training on anti-discrimination and equity were provided to workers, supervisors and managers, to ensure they understand the policy and their responsibilities in creating and maintaining a non-discriminatory and equity work environment. Special training was provided for employees in key positions. Through employee interview, all employees had a good understanding on the policies and procedures on anti-discrimination and equity.
4. The facility has implemented effective monitoring measures to ensure compliance with the anti-discrimination policy. The facility would take action or make changes to policies and procedures if necessary. The facility has an internal grievance process for the employees to report any discrimination cases and all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. The facility conducted the internal social compliance audit once per year, which covered the subjects of anti-discrimination policy and procedure, and the results were reviewed and acted upon by management. The anti-discrimination policy and procedure were implemented and controlled effectively and ensures sustainable compliance with all Workplace Requirement in this code area now and future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 6](#)

[Code area 8 →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The facility had anti-discrimination policy and procedure.
2. The regular trainings on anti-discrimination were provided to the employees.
3. No employee was required to do the examination of the hepatitis B virus and HIV.
4. No female employee was required to do the examination of pregnant test.
5. Gender discrimination did not exist in the facility; both female and male employee were distributed in all types of work.
6. There was no evidence of sexual harassment.
7. No discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age disability, gender, marital status, sexual orientation, union or workers' organization membership or political affiliation was found.
8. The facility have a dedicated equity approach in recruitment, training, development and promotion processes.
9. There was the dedicated and adequate equity approach regarding recruitment, training, development and promotion processes. The equal approaches included the equal hiring policy, the diverse hiring channels and the standardized screening process for job applicants; adequate training need assessment, equal training resource and diverse training methods; clear and equal promotion standards and enough promotion chances, and equal project participation opportunities; providing work feedback and instructions for the workers regularly, etc.

Evidence examined:

1. The anti-discrimination policy and procedure.
2. The regular training records on anti-discrimination.
3. The hiring and termination procedure, leave application records and employing handbook.
4. Dedicated equity approach policy
5. Payrolls.
6. Attendance records.
7. Termination records.
8. 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)? 0%

Representation of women in managerial roles (ratio of women workers to women managers) 2%

Representation of women in supervisory roles (ratio of women workers to women supervisors) 4%

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

[← Code area 7](#)

[Code area 8 →](#)

8. Regular employment is provided

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

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

Explanation for management systems grades

1. The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory. Responsibilities and processes to implement policies and procedures are clear. The facility has adopted a procedure of signing labor contracts with all employees, ensuring that the terms and conditions stated in the contracts comply with local laws.
2. The facility appointed Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for the implementation of the policies and procedure of Regular employment. The responsibilities were clearly defined. She had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training on the policies and procedure of regular employment were provided to workers, supervisors and managers, to ensure them understand their rights and responsibilities under the labor contracts, as well as the facility's policies regarding recruitment and employment practices. Special training was provided for all employees in key positions, through employee interview, all employees had a good understanding on recruitment process.
4. The facility ensured compliance with laws and policies by monitoring employment practices. Management would conduct meets regularly and proactively to improve issues arising from the recruitment process to prevent temporary or home workers, and had clear processes for workforce management. The facility conducted the internal social compliance audit once per year, which covered the subject of regular employment, and the results were reviewed.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

[← Code area 7](#)

[Code area 8.A →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The employment relationship was legal. The workers were recruited by the facility directly. The factory signed labour contracts with all workers upon hiring and r signed the labour contracts when the labour contracts expired. All workers received the copies of their labour contracts.
2. The factory complied with obligations to workers arising from the regular employment relationship.
3. The factory had full understanding of the entire recruitment process. The written recruitment policy and procedure were established and implemented in the factory. The factory provided the regular trainings about the recruitment policy and procedure for all workers. The interviewed factory management and workers understood of the entire recruitment process.
4. The effective management system was in place to identify and monitor the hiring and management of all workers. The local workers and migrant workers were hired legally and treated equally in the facility.
5. No temporary worker or apprenticeship scheme existed in the factory. No homeworking existed in the factory.
6. Workers were not required to pay any recruitment fee at any stage of the recruitment process, which was confirmed by interviews with management and workers as well as reviewing of the written recruitment policy and procedure, the recruitment notice at gate, payrolls, etc.
7. The labour contracts of all workers were available for review. The labour contracts were signed by workers themselves. The interviewed workers knew clearly the contents of the labour contracts. The terms and conditions stated in the contracts accurately reflected the agreed payment and terms in the recruitment process and complied with local laws.

Evidence examined:

1. Personal files with labour contracts and ID copies for the workers
2. Recruitment policy and procedure
3. Trainings records about the recruitment policy and procedure
4. The recruitment notice at gate
5. Payroll records
6. Management interview and worker interview

8. Regular employment is provided

Data points

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

[← Code area 8](#)

[Code area 8.A →](#)

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

Management systems

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

Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
--	-------------------------------

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

Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 8](#)

[Code area 9 →](#)

Management systems

Explanation for management systems grades

1. The facility had the sub-contracting and home-working management procedure. According to the sub-contracting and home-working management procedure, subcontracting and home-working would not be used unless there was a previous agreement from the main clients and the legal requirements in terms of social compliance (such as the working time, wages and benefits, health and safety working environment), ethics and environmental performances were assured; The subcontractors can not hire child labor, can not discriminate employees, and can not abuse its employees; the home workers can not be child labor. All policies and procedures were appropriate for the facility and lead to sustainable compliance with all of the Workplace Requirements.
2. The facility takes responsibility for completing all processes within its own premises, no outside processes or subcontracting was observed. The facility appointed the Supplier Management Manager to be responsible for the management of subcontracting, responsibilities were clear and the manager was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training on subcontracting and home workers to workers, supervisors and managers, to ensure they understand the policy on subcontracting and home workers. Special training was provided to employees in key positions. All sampled employees had a good understanding in related policies and procedures.
4. The facility had mechanism in place to monitor its adherence to the policy on subcontracting and home-working. All processes were completed in the facility. The facility had established a systems in place to assess working conditions at subcontracted sites which including prior assessments and periodic assessments of commencement of service, investigation and remediation of identified problems. The facility will conduct annual compliance assessment for its subcontractor and home workers, and will require the corrective and preventive action plans if any violation was found. The facility had also conducted management review to ensure long-term compliance in the future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 8](#)

[Code area 9 →](#)

**Systems and evidence examined to
validate this code section**

Current systems:

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

Evidence examined:

1. Policy on sub-contracting.
2. Reviewing of the production records such as materials receiving and issuing records.
3. Facility tour (calculation on total production and estimated capacity).

[← Code area 8](#)

[Code area 9 →](#)

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

Data points

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

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by 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 supplier that used homemaker.

Sub-contracting

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

[← Code area 8.A](#)

[Code area 9 →](#)

Are any sub-contractors used? No

[← 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	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
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[← Code area 8.A](#)

[Code area 10.A →](#)

Management systems

Explanation for management systems grades

1. The facility has established an anti-harsh or anti-inhumane treatment policy that clearly outlines the prohibition of physical abuse, threats of physical abuse, sexual or other harassment, verbal abuse, and other forms of intimidation. The facility has also established a disciplinary procedure for employees' misbehavior which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure. These policies and procedures would be updated if relevant laws and regulations were updated to ensure long-term compliance in the future.
2. The facility had appointed Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for implementing and enforcing the anti-harsh or anti-inhumane treatment policy, ensuring that all employees are aware of and comply with its provisions. Responsibilities were clear and the manager was aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training were conducted to communicate the anti-harsh or anti-inhumane treatment policy and disciplinary procedure to all workers, supervisors and managers. This training has ensured that all employees are fully informed of their rights and responsibilities under the policies and procedures. Multiple channels of communication were provided for employees to ensure free communication with the responsible person. The training efficiency was measured, during the employee interview, all employees have a good understanding of anti harsh or anti-inhumane treatment policy and disciplinary procedure.
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 a risk assessment on harsh or inhumane treatment, including gender-based violence and harassment to identify where hazards may be more likely to occur. The facility also conducted the internal social compliance audit once per year, which covered the subject of no harsh or inhumane treatment requirements, and the results were reviewed and acted upon by management. The requirements of no harsh or inhumane treatment were implemented and controlled effectively. The monitoring ensured sufficient management of workplace requirements on an ongoing basis.

Summary of findings

[← Code area 8.A](#)

[Code area 10.A →](#)

Code area	Workplace requirement	Area of NC	Finding
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No findings

[← Code area 8.A](#)

[Code area 10.A →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The factory established anti-harsh or inhumane treatment policy. The policy stated that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Worker interviews confirmed that they were aware of the anti-harsh or inhumane treatment policy, and there was no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in the factory.
2. The factory established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination. No monetary fine was used as disciplinary measure. Worker interviews confirmed that they were aware of the disciplinary procedure and there was no monetary fine.
3. The anti-harsh or inhumane treatment policy and the disciplinary procedure were communicated to the workers through regular trainings. Worker interviews confirmed that they attended these trainings regularly.
4. The factory had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. This mechanism was legitimate, accessible to all, predictable, equitable, transparent, right compatible, a source of continuous learning and based on stakeholder engagement. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for the workers and other stakeholders and external communities to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings. The designated person for it was Mr. Wu Xinjian/Admin and HR Supervisor. Additionally, the clients' Code of Conducts which were written in the workers understandable language (i.e. Chinese) and listed hotlines and websites for the workers to report any violations, were posted on the notice boards of the factory. Worker interviews confirmed that they were aware of this system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter.

Evidence examined:

1. The anti-harsh or inhumane treatment policy and the disciplinary procedure; the grievance mechanisms.
2. Training records regarding anti-harsh or inhumane treatment policy and disciplinary procedure.
3. Internal grievance procedure.
4. Facility tour.
5. Management interview and worker interview.

[← Code area 8.A](#)

[Code area 10.A →](#)

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process
What type of grievance mechanism(s) are available?	The facility had established a transparent system for confidentially reporting and dealing with the reporting any violations of labour standards and health & safety or any other grievance without fear of reprisal towards the reporter. The responsible person and contact methods (e.g. mobile phone numbers and email address as well as suggestion box) were available for its employees, external communities and other stakeholders to report relevant complaints without fear of reprisal and such kind of channel information was publicized through posters and regular trainings.
Number of grievances raised in the last 12 months	0
Number of grievances resolved in the last 12 months	0

[← Code area 9](#)

[Code area 10.A →](#)

10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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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
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 9](#)

[Code area 10.B →](#)

Management systems

Explanation for management systems grades

1. The facility had established a written environmental policy and procedure, which includes a commitment of legal compliance, a commitment of continuous improvement of environmental standards and a clear framework for setting environmental compliance objectives and targets. All required environmental protection registration or permit were kept and provided for review, and the facility had adopted an adequate and effective management system.
2. The facility had appointed Mr. Wu Xinjian/Admin and HR Supervisor to be responsible for the Environmental policies and procedures. Appoint letter was available for review and signed by the General Manager. Responsibilities were clear and the manager were aware of the responsibilities. He had the necessary skills and seniority to manage this issue. However, no written procedure was in place for interim responsibility in the case of position change or absence.
3. Orientation and refreshing training on environmental policies, environmental laws and regulations were provided to workers, supervisors and managers to ensure they are equipped to contribute to the organization's environmental compliance efforts. During employee interview, all employees, especially employees in key position had a good understanding of the environmental protection policies and requirements. The facility had also communicated the policies and requirements to all suppliers.
4. The facility effectively monitors the environmental requirements in accordance with the policies and procedures. The EHS Committee which consisted of members from different departments would identify and monitor potential negative environment impacts of operations and supply chain and had established a systems that prevent, mitigate or remedy the impacts of their own operations. A resource targets was established and the facility developed a plan to reach them. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites annually. The facility conducted the internal social compliance audit once per year, which covered the subject of the environmental requirements, and the results were reviewed and acted upon by management to ensure long-term compliance in the future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 9](#)

[Code area 10.B →](#)

Systems and evidence examined to validate this code section

Current systems:

1. The facility established the environmental protection policy for review.
2. The facility had compiled one written significant environmental factors of their site and its processes.
3. The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents.
4. Mr. Wu Xinjian/Admin and HR Supervisor was appointed responsible for environmental issues.
5. The facility had not been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.
6. The facility provided the environmental impact report form, environment impact assessment approval and acceptance check for review.
7. The facility had transferred all hazardous wastes to qualified unit.
8. The facility monitored all pollutant emission annually.

Evidence examined:

1. All legally required environmental documents were provided for review
2. Environmental policy
3. Pollutant emission testing report review.
4. Employee and management interview
5. Site tour

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 recognised environmental system certification.
Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))?	No
Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?	No

[← Code area 10.A](#)

[Code area 10.B →](#)

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
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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 we 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 training for all employees on the avoidance of environmental impact. The facility established a comprehensive and tested emergency plan to mitigate environmental impact in case of incidents.
6. The facility conducted a risk assessment to evaluate the significant environmental impacts of its sites and processes and was aware of the significant environmental impact of its site and its processes.
7. The facility provided the environmental management system documentation for review.
8. Mr. Wu Xinjian/Admin and HR Supervisor was in charge of environmental issues.
9. 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

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	<p>Circular economy and resource efficiency</p> <p>Responsible use and management of water</p> <p>Packaging optimization</p> <p>Switching to renewable energy sources</p>
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<p>Yes</p> <p>The facility had adopted effect system in managing client's requirements and legislation in the destination countries regarding environmental and chemical issues.</p>
Does the site have reduction targets in place to manage climate related risks?	<p>Yes, to increase low-carbon energy consumption or production</p> <p>Yes, a net-zero target</p>
Are any of these science-based targets?	No, but we anticipate setting one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	<p>Yes</p> <p>The facility will reduce water and electricity consumption by 10% at the end of year 2025.</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

[← Code area 10.B](#)

[Code area 10.C →](#)

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	1,714,488	1,475,380
Total electricity consumption from renewable sources (kWh)	900,000	820,000
Sources of renewable energy used	Utility provider	Utility provider
Types of renewable energy used	Hydroelectric	Hydroelectric
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	None	None
Has the site completed any carbon footprint analysis?	No	No
Water sources	Local water authority	Local water authority
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	22,839	17,373
Water discharged	Municipal sewage network	Municipal sewage network
Water volume discharged (m3)	22,839	17,373
Water volume recycled (m3)	0	0

[← Code area 10.B](#)

[Code area 10.C →](#)

Total waste produced (mt)	26	23
Total hazardous waste produced (mt)	1	1.2
Waste to recycling (mt)	0	0
Waste to landfill (mt)	25	21.8
Waste to other (mt)	0	0
Total product produced (mt)	790	711

[← Code area 10.B](#)

[Code area 10.C →](#)

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
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Appoint a manager with sufficient seniority who is responsible for implementing procedures	Some Improvements Recommended
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Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
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Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
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[← Code area 10.B](#)

Management systems

Explanation for management systems grades

1. The facility had established policies and procedures on Business ethics. Responsibilities and processes to implement policies and procedures are clear. Systems are in place to ensure the management structure and responsibilities are reactive to changing circumstances.
2. Mr. Wu Xinjian/Admin and HR Supervisor was assigned to be responsible for implementation the policies and procedure of Business ethics. Responsibilities were clear and the manager were aware of the responsibilities. She had the necessary skills and seniority to manage this issue. However, the responsibilities of line leaders were not written, and no written procedure was in place for interim responsibility in the case of position change or absence.
3. The facility provided effective training and communication on this policy. Orientation and refreshing training are conducted according to the procedure, which includes workers, manager and supervisor. Training content was updated according to need. High risk roles was identified and Special training was provided for employees in key positions in time. During the employee interview, all employees had a good understanding of Business ethics. The facility had also communicate the policies and policies and procedures on Business ethics to all of their business partners.
4. Regular review on business ethics was conducted, overall performance is reported to the relevant senior management. The facility conducted the internal social compliance audit once per year, which covered the subject of business ethics, and the results were reviewed and acted upon by management to ensure long-term compliance in the future.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

[← Code area 10.B](#)

**Systems and evidence examined to
validate this code section**

Current systems:

1. Mr. Wu Xinjian/Admin and HR Supervisor was the designated person responsible for implementing standards concerning Business Ethics.
2. The company established a business ethics policy which was communicated to employees through posters and training.
3. The site had received and read the Business Ethics policy of the auditor/auditcompany.
4. There was an internal grievance process, which was an anonymous email address.

Evidence examined:

1. Business Ethics policy reviewing
2. Training records
3. Employee handbook
4. Reports from Anonymous email account

[← Code area 10.B](#)

10.C. Business ethics

Data points

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

No

Provide any certified anti-bribery management systems for the site

None

[← Code area 10.C](#)

Attachments



SMETA 4P FDR-A5262125-
AA- XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX
20251028-30-CAP with
signature.pdf



[Toilet.JPG](#)



[Warehouse.JPG](#)



[Suggestion box.JPG](#)



[Production building.JPG](#)



[Shower room.JPG](#)



[PPE used.JPG](#)



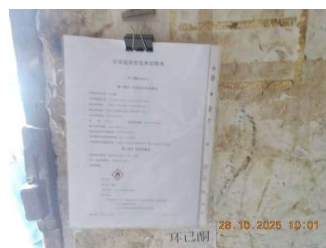
[Secondary container.JPG](#)



[Silk printing.JPG](#)



[Production building 1.JPG](#)



[MSDS.JPG](#)



[Notice box.JPG](#)





[Personal locker.JPG](#)



[Spraying paint.JPG](#)



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



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



[First aid kit.JPG](#)



[Packing.JPG](#)



[Fire extinguisher.JPG](#)



[Kitchen.JPG](#)



[Injection.JPG](#)



[No smoking sign.JPG](#)



[Evacuation sign.JPG](#)



[Emergency assembly point.JPG](#)



[Facility gate.JPG](#)



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



[Facility name.JPG](#)



[Attendance recorder.JPG](#)



[Eye washing station.JPG](#)



[Evacuation map.JPG](#)



[Electrical box.JPG](#)



[Dormitory building.JPG](#)



[Dormitory room.JPG](#)



[Canteen.JPG](#)



[Drinking water.JPG](#)



[Assembly.JPG](#)